





## News Analysis

## Israel Weighs Sharp Reaction To Missile Threat at Canal

By Richard Eder

JERUSALEM, July 9 (NYT).—There is a growing feeling here among Israelis that their government will have to make some sharp response to the threat posed by the Soviet anti-aircraft missile system now operating on the Egyptian side of the Suez Canal.

The danger of the situation, it is being said here, lies in the Israeli belief that the nature of this threat requires not only a strong reaction but also a relatively quick one.

Officials are not predicting that Israel will go to war, although they do not rule it out, and some quarters suggest the possibility of some kind of major strike across the canal. But both government officials and the Israeli press have presented what they call "the phase of the conflict" in the most serious terms.

Harari, an independent newspaper, wrote Tuesday that "if the air force does not succeed in regaining freedom of operation over the canal region, the Israeli defense forces will have to regroup in order to protect the line by other means."

## Thrust Across Suez

The evident reference was to a thrust across Suez to destroy the missiles and their defenses. For the moment, the government is concentrating on convincing the public, the United States and the Soviet Union of the extreme gravity with which it views the situation, and of Israel's readiness to fight if the threat is not quickly removed.

But if these warnings have a diplomatic aim, they also reflect a serious military assessment of the situation and of the possible available courses.

Monday's news conference by Gen. Chaim Bar-Lev, Israel's chief of staff, was an important and carefully calculated effort.

Gen. Bar-Lev virtually never gives news conferences. When he did, it was to make clear that Israel believed that the balance of power over the Suez Canal had shifted unfavorably—though not irreversibly—and that this could not be allowed.

## Warning to U.S.

His message was intended, according to knowledgeable sources, to warn the United States that it had better move quickly and energetically to make the Russians see the danger of the situation, because there was not much time left.

The time factor was one of the most serious new elements introduced when the Russians and Egyptians quickly set up, eight days ago, an integrated air defense system of SAM-2 and SAM-3 mis-

siles covering 600 square miles of the canal zone.

The system, according to Israeli statements, begins 15 miles west of the canal and extends to a point 23 miles west. The SAM-2s, with a medium and high-altitude capability and a range of about 20 miles, are in the forward part of this area, covering the canal. The SAM-3s, with a low-altitude capability, are in the rear or western-most part, forcing attackers to fly higher, where they are vulnerable to the SAM-2s.

Three Israeli planes—a more considerable number than it seems, in view of the small size of Israel's force of fighter-bombers—were shot down trying to destroy the system. Five of 12 batteries were seriously damaged, but the Russians have been replacing some of them.

Assuming Soviet determination to continue to replace them—and the Israelis feel that they have to assume it—the Israeli Air Force could find itself eroded before the Russians ran out of missiles.

After a brief pause, Israeli planes are again attacking the missile area. Meanwhile, they are believed to be working intensively on methods to allow their planes to neutralize the threat.

But time is working against them. If they continue their intensive raids—and there seems little doubt that they will—they face the possibility that their air force will be eaten away. Should they stop raiding, even for a couple of weeks, the Russians and Egyptians could not only consolidate their missile defenses but extend it to other sectors of the canal.

With air superiority over the west bank of the canal lost or badly curtailed, Israel would be hard-put to defend her lines on the other side from artillery bombardment and, eventually, from the buildup of an Egyptian force able to cross and shatter the lines.

## Suez Line Vital

Israel would vitally be willing to pull back from the canal in the event of a peace settlement. Under present war conditions, she regards the area as a life line, and most observers agree that she would take great risks to prevent its loss.

Israeli officials still pin hope to the possibility that American actions and diplomatic pressure will persuade the Russians to halt further military moves. But doubts are growing in several authoritative quarters.

"Our confidence in the United States is waning. More and more, we feel we are going to have to take care of ourselves," one official said. Regardless of what the continued bombardment, along with any new methods that are worked out, accomplish against the SAM missiles, the Israelis believe that they push forward their challenge, and they are not sure that the United States will meet it.

Although what Israel intends to do is not being disclosed, qualified analysts with some access to official thinking see several possibilities.

## Minimal Losses

One might be some spectacular and damaging reprisal—a quick land raid, an air attack in some area hitherto considered "safe" by the Egyptians. Such a move would be planned to minimize Israeli casualties and avoid head-on encounter with the Russians.

Such actions, or others involving a comparatively small risk, seem the most likely for the moment. But there is increasing talk that the need may arise before long for much more dangerous actions: a massive land raid across the canal to wreck the missile concentrations, or full-scale use of the air force to attack not only the missiles but targets all over Egypt.

Both would involve heavy Israeli losses and the probable death or capture of dozens, perhaps hundreds, of Russian advisers, which they feel would bring on a sharply increased risk of major Soviet involvement.

Speculation about this is certainly encouraged here for its effect in Washington and Moscow. But it is also true that important sectors believe that such consequences would be more acceptable than the abandonment of the Suez line or the slow destruction of Israel's Air Force in trying to defend it.

## 1 Dead as Strikers Battle Police in Chile

SANTIAGO, Chile, July 9 (AP).—A 17-year-old student was shot dead and two students were wounded when striking workers and students clashed with police here last night.

The violence erupted during a one-day strike called by the Communist-led central workers movement in support of higher wages.

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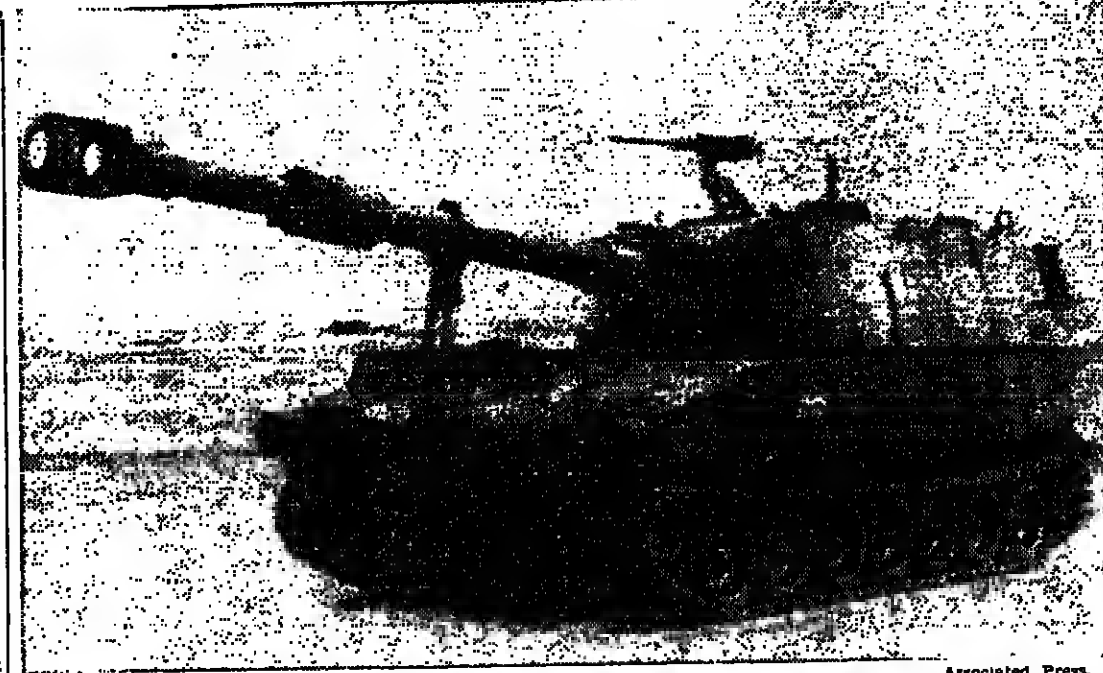
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ARMS FOR ISRAEL—Twenty-four self-propelled M-109 howitzers, the type shown here, are being shipped to Israel. They are produced by General Motors Corp. and fire a 155-mm. conventional or nuclear shell and a .50-caliber machine gun.

## Laird Charts Withdrawals

## U.S. Pullback in S. Korea A Test for Nixon Doctrine

By Chalmers M. Roberts

WASHINGTON, July 9 (WP).—The Nixon Doctrine faces a severe test in the planned withdrawal of part of the American military force now in South Korea. Defense Secretary Melvin R. Laird made clear today.

The problem is money which currently is nowhere in sight for additional military aid for the Korean forces.

Mr. Laird told a press conference that a "substantial American presence" will remain in Korea after "present approved plans for Korean redeployment go forward." He gave no figures but it is expected that 25,000 of the 60,000 men now there will be withdrawn. Mr. Laird indicated the cut will come at the end of the fiscal year, next June 30.

"The military assistance program must be increased if the Nixon Doctrine is going to be a success," the secretary said. "If we are going to remove American ground forces from the Asian area, it is necessary for us to increase the military assistance program."

Mr. Laird said this "will require substantial modernization of the Korean forces as we turn over responsibility to them that we have assumed in Korea."

In the fiscal year just ended the United States provided South Korea with \$140 million worth of aircraft, ships, vehicles, ammunition, missiles and communications equipment. The \$140 million came out of the \$350 million military aid fund which covers such help to all nations other than Vietnam, Laos and Thailand.

## Doubled Aid Sought

The Pentagon asked \$350 million for the fiscal year, but the House voted that amount, which is the top limit under a two-year authorization voted last year, but the Senate has yet to act. Pentagon sources indicate Mr. Laird would like to double the help for Korea. The secretary said he will be making a request for more money from Congress.

Deputy Defense Secretary David Packard will meet South Korean Defense Minister Mai-Eyuk Chung in Honolulu July 21-23 to consider the U.S. withdrawals but Mr. Laird left no doubt a firm American decision already has been made for what he termed "important reductions."

In Seoul, South Korean Foreign Minister Choi Kyu-Hah said U.S. and Korean military experts will meet in a few days to discuss modernization of the Korean forces, at American invitation. He made the statement after attending what was described as an emergency meeting held by President Chung Hee Park with key cabinet members.

The Korean ambassador to Washington, Dong Jo Kim, has been ordered home for consultations.

Korea's two major political parties, the ruling Democratic Republic party and the opposition New Democratic party, both said the U.S. should reconsider its plans because of the threat from North Korea. Seoul newspapers expressed dissatisfaction. One spoke of "tendencies of a new isolationism" in the Nixon administration.

## Laird Sidesteps

A former Korean deputy defense minister, Paul B. Park, was quoted as saying in Washington there is a written agreement in which the U.S. pledged not to withdraw troops from Korea as long as South Korean forces remain in South Vietnam.

Asked about that, Mr. Laird sidestepped a direct reply, saying that Vietnam is "handled separately" and that "there will be nothing that will interfere as far as any agreement is concerned with a reduction of American force levels." Later, State Department spokesman Carl Barth said: "There is no agreement of any kind relating the level of U.S. troops in Korea to the presence, or level, of Korean troops in Vietnam."

Discussing NATO, Mr. Laird once again pledged to hold the present American troop level to June 30, 1971, while making it clear the

## Earle Wheeler Gets New Medal

WASHINGTON, July 9

(UPI).—President Nixon today awarded a newly-created military honor, to be known as the Defense Distinguished Service Medal, to Gen. Earle G. Wheeler, who has retired as chairman of the Joint Chiefs of Staff.

At a White House rose garden ceremony, Mr. Nixon said that Gen. Wheeler, in his distinguished career, "has been known as a soldier and is proud to be known as a soldier, but I know him as a statesman as well."

## Laird Says Russian SS-9s Grow During SALT Talks

(Continued from Page 1)

which the Pentagon keeps secret—show that the buildup has varied from year to year. Here are the figures, year by year, of SS-9s actually deployed or under construction: 42 in 1964; 66 in 1965; 64 in 1966; 30 in 1967; 26 in 1968 and 24 in 1969. That made for a total of 222 SS-9s operational and 60 under construction as of early 1970.

Mr. Laird, discarding the usual formal setting of standing at a lectern, made these other points while sitting in a leather chair at the front of the Pentagon studio crowded with newsmen:

• Vietnam-American troops strength as of yesterday was down to approximately 410,000—the lowest level since February, 1967, and "we will beat" the President's Oct. 15 deadline of reducing the troop total in Vietnam to 334,000.

• NATO—"Should the SALT negotiations meet with not too great a success—I am still confident that we can enter such an agreement with the Soviet Union as to attract the required number of volunteers is not yet in sight."

• ABM—Mr. Laird will fight the Senate Armed Services Committee recommendation to forgo the wide anti-ballistic missile defense against Red China. He said he would continue to press for the President's Safeguard ABM which calls for protecting some Minuteman ICBM sites and also starting on a thin defense against Chinese missiles for the whole United States.

• Korea—Mr. Laird said that even after the United States nulls some of its troops out of Korea, the

## Nasser Resumes Moscow Talks

MOSCOW, July 9 (Reuters).

President Nasser of the United Arab Republic today resumed official talks with the Soviet Union after a break of more than a week.

Tass news agency said he had met Soviet Premier Alexei Kosygin for a continuation of "the exchange of opinions on some questions whose discussion was started earlier."

Communist sources in Moscow said the president would remain in the Soviet Union for a further ten days beyond his original departure date, and he will now apparently stay until the end of next week.

## Sisco Summons Israeli Envoy

WASHINGTON, July 9 (Reuters).

The State Department today summoned the Israeli Ambassador, Lieutenant-General Yitzhak Rabin, for discussion of the tense Middle East situation.

State Department spokesman Carl Barth said "General Rabin had been called for talks with Assistant Secretary of State Joseph Sisco. Mr. Barth maintained the department's silence on any U.S. plans to supply Israel with more military aircraft."

## MEMORIAL NOTICE

FOR THE FIRST anniversary of the death of JOHN H. SUGATA, a service will be held at the American church, 65 Quai d'Orsay, Paris, on July 12th, at 3 p.m.

## Thais Bolster Border Force To Halt Reds

2,000 Guerrillas Said To Imperil U.S. Base

BANGKOK, July 9 (Reuters).

Troops have been rushed to Thailand's northeastern border, with Cambodia, to thwart a major attack by about 2,000 Viet Cong, police sources here said today. In the capital, meanwhile, the Thai House of Representatives approved by one vote a drastic and controversial increase in taxes.

Thai police sources quoted Cambodian officials as saying that Communist guerrillas were entrenched in villages of Cambodia's Chhon Ksan district—not far from the Thai provincial capital of Ubon, where there is a large U.S. air base.

Villagers reported seeing a Viet Cong force traveling toward Ubon, 540 miles northeast of Bangkok, yesterday. The guerrilla force included five bullock carts packed with arms and ammunition.

## Police Alerted

Today's report came after Prime Minister Thanom Kittikachorn announced a general alert of all military police in the capital last night.

He warned in a nationwide radio broadcast that the Cambodian border situation was serious but added that all necessary measures had been taken to meet it.

Thai Air Force planes last week attacked Communist targets inside Cambodia at the request of the Phnom Penh government, according to informed government sources here.

In Bangkok, an opposition motion condemning the proposed tax decree—which will increase some taxes by as much as 100 percent—was defeated in the House of Representatives by 102 votes to 101. There were many defections on the government side.

The whole debate had been conducted in an atmosphere of tension following a government announcement of the discovery of Communist documents indicating plans to attack government buildings and military installations.

But members of the major opposition Democratic party said they were suspicious of the Communist scare which brought about the military alert on the eve of the vital debate.

## Laird Subpoenaed to Testify On U.S. Policy in My Lai Case

By Kenneth Reich

ATLANTA, July 9.—Secretary of Defense Melvin R. Laird and other high figures of the U.S. defense establishment have been subpoenaed to appear at a hearing here next Wednesday on the constitutionality of the Army's My Lai massacre court-martial.

The specific case concerns the Army plan to try 22-year-old "Sgt. Esquivel Torres, of Brownsville, Texas, on charges of at least three murders in the alleged massacre. But the effect of a decision in his case could reach to the whole range of cases pending in the My Lai affair.

Last week, Judge Albert Henderson ruled that Sgt. Torres could not be tried by court-martial until the panel had ruled on constitutional questions about the legality of the Vietnam war as well as whether the accused was receiving full legal protection under the U.S. Uniform Code of Military Justice.

It was the first time that a civilian judge had intervened in a military case.

## 4 Warsaw Pact Nations' Training Ends in Hungary

BUDAPEST, Hungary, July 9

(UPI).—The Warsaw Pact ended ten-day joint army exercises today in Hungary, the news agency MTI reported.

The announcement said the maneuvers were held on Hungarian territory under the direction of Warsaw Pact Chief Commander, Soviet Marshal Ivan Yakubovich.

The exercises "contributed to the further increase of the coordination of the cadre-work of all services, to the perfection of the operational training, as well as to the deepening of the friendship between the friendly armies," MTI said.

The report did not list participating countries but observers said an MTI announcement on a reception by Hungarian Premier Jozsef Fock indicated they were Russia, Hungary, Czechoslovakia and Bulgaria.

## Pot Spotting, Party Pooping Still His Line

STINSON BEACH, Calif.,

July 9 (UPI).—Four persons picked the wrong spot for a marijuana party, outside the home of Col. George White, retired chief of the Federal Narcotics Bureau in San Francisco.

Col. White said he saw three men and a woman passing a cigarette around. He looked through a telescope and was sure the cigarette was hand-rolled. Sheriff's deputies who made the arrest Tuesday night said they found four marijuana cigarettes among the group.

## Vietnam Reds at Paris Talks Condemn 'Tiger Cage' Prison

By Henry Giniger

PARIS, July 9 (NYT).—The two Communist delegations at the Vietnam peace talks today seized upon the issue of conditions in the South Vietnamese prison of Con Son to underline their long-standing charge that the United States and the "puppet" Saigon regime are carrying on a barbarous war against the Vietnamese people.

The North Vietnamese and their southern Communist allies spent one and a half hours of briefing time in details on the so-called "tiger cages" in Con Son prison. The time devoted to the subject in addressing the press contrasted with the 15 minutes or so of discussion by the Communist side on the same subject during the plenary session. The rest of the four-hour session was spent in fruitless discussions on who was responsible for blocking the conference.

Nguyen Thanh Le, the Hanoi spokesman, said Philip Habib, the acting chief American delegate, was "as mute as a mule" on the subject of the prison camp, while Pham Dang Lam, the Saigon delegate, referred to his government's communiqué contesting the charges and challenged Hanoi to allow international inspection of its camp.

The Communist delegation referred to insertions in the Congressional Record of last June 12 and July 9 by Rep. John Conyers, D., Mich., of reports by private groups and individuals on conditions in the camps. The Communists denounced as "cheap propaganda" the U.S. contention that it is defending liberty in South Vietnam.

## Saigon Says Red Cross Visits Con Son Prison Regularly

SAIGON, July 9 (UPI).—The

South Vietnamese government said today that the Con Son Island prison has been regularly visited by the International Red Cross and the Interior Ministry to maintain "successful improvement."

It was unclear whether Saigon would send an investigating team to the prison in the China Sea, 140 miles southeast of the capital, where a U.S. congressional team reported prisoners were receiving inhuman treatment.

U.S. officials, offering support for the Vietnamese team, let it be known that they had suggested to the Interior Ministry that if an inspection team were dispatched to the island it would quell criticism.

However, a South Vietnamese government spokesman said such a team is unnecessary, because inspections are regularly conducted by the ministry.

## Five-Point Answer

The Saigon government issued a five-point communiqué:

• Of the more than 9,000 criminals presently detained at Con Son, only about 400 persons, for disciplinary reasons, are temporarily detained in separate quarters. They are neither political prisoners nor prisoners of war, but Communists detained.

• Those detained in so-called "tiger cages" are criminals who are Communists and have caused internal trouble at the prison.

• They will not be detained to a long time in separate quarters. As soon as they show their repentance and agree to abide by prison rules they will be freed.

• During their custody in separate quarters they continue to receive the same food rations as other criminals.

• In war circumstances, owing to poor facilities in the nation, everything cannot be performed exactly as the government wants. Nevertheless, there have been many efforts for improving the re-education system.

The government cited several international delegations which have inspected the prison, including a Red Cross group which visited the island Feb. 10-13 of this year. [In Geneva, the International Committee of the Red Cross confirmed that its delegates visited the South Vietnamese prison island of Con Son twice, in 1969 and again in February of this year.]

A Red Cross spokesman said the delegates, in their confidential report to the South Vietnamese government, suggested improvements in changes on the island.

[The Red Cross said its delegates in South Vietnam gave the Saigon government full details of what they had seen on Con Son Island. The spokesman said the committee is now studying the Saigon government's claim that the Red Cross had seen the island and had made any remarks. "If this statement is true, it is not correct," he said. "Our delegates suggested improvements."

[The International Commission of Jurists, meanwhile, demanded an international inquiry into conditions on Con Son.]

## Slovak Party Presidium Drops 3 Dubcek Men

VIENNA, July 9 (UPI).—The

presidium of the Slovak Communist party underwent a major reshuffle today to remove the last supporters of Alexander Dubcek from their posts.

CTK, the Czechoslovak news agency, said the central committee of the Slovak provincial party organization met to approve a request by Stefan Ladovsky, until last January the first secretary, to be released from his presidential post.

The report said the central committee "complied with his request." Together with Mr. Ladovsky, two more presidium members—Jozef Elisk and Michal Hanka—were moved from their posts, also on their own request, CTK said. The results of the Slovak provincial party organization had lowered three weeks after Alexander Dubcek, the fallen idol of the "Prague spring," was ousted from the Communist party ranks.

## U.S. Judge Ends Attempt to Prove Newspaper Leak

BALTIMORE, July 9 (NYT).

Federal Judge Roszel C. Thomsen has said that he will drop his attempt to get The New York Times to divulge the source of its articles concerning a secret grand jury report.

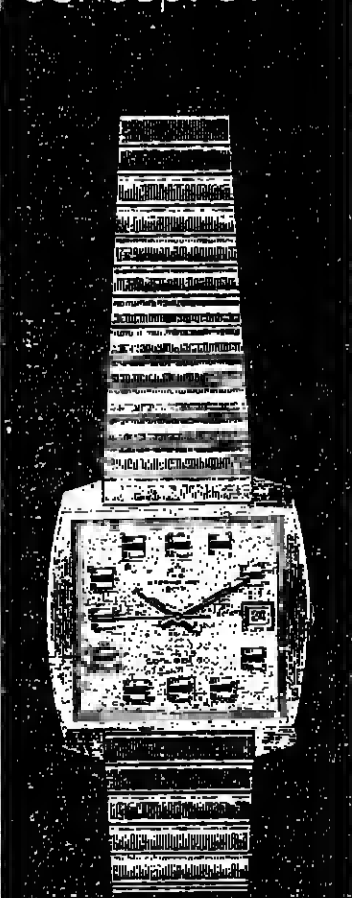
Announcing his decision at a sudden hearing yesterday, Judge Thomsen emphasized his belief that he had the power to force the Times "to make a limited disclosure" so that he could ascertain whether anyone could be found guilty of contempt for leaking the report.

But the judge said, he had decided to follow the advice of all parties in the case and take no action for several reasons.

One reason he cited was his conclusion that no grand juror or court employee had leaked the report, which charged a Baltimore contractor, Victor H. Frankl, with illegally seeking, through bribe offers and other actions, to obtain additional funds for constructing an underground garage at the Rayburn House office building in Washington.

Col. White said he saw three men and a woman passing a cigarette around. He looked through a telescope and was sure the cigarette was hand-rolled. Sheriff's deputies who made the arrest Tuesday night said they found four marijuana cigarettes among the group.

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## Worse Than McCarthyism

## Harriman Denounces Agnew, Says Tactics Smack of Nazis

By John H. Averill

WASHINGTON, July 9.—Former ambassador W. Averell Harriman yesterday denounces the attacks on him by Vice President Spiro T. Agnew as "worse than McCarthyism."

"I've never seen anything like this," Mr. Harriman told a group of reporters at a breakfast meeting. "It smacks of the tactics used by the Nazis in Germany in the 30s."

Mr. Harriman's statement was prompted by an Agnew speech to a Republican dinner in Cleveland on June 20 in which the Vice President assailed Mr. Harriman, former secretary of defense, Clark Clifford and several Democratic state critics of the Indochina war.

Among other things, Mr. Agnew accused Mr. Harriman of having "a penchant for trusting Communists" and said he was a failure as a Johnson administration's chief negotiator at the Vietnam peace talks in Paris. Mr. Agnew said "there."

As one looks back over the diplomatic disasters that have befallen the West and the friends of a West over these decades of Iran, Yalta, Cairo—in every



Averell Harriman

diplomatic conference that turned out to be a loss for the West and freedom, one can find the unmistakable footprints of W. Averell Harriman."

Despite Mr. Harriman's bitterness over Mr. Agnew's attacks on him, he said the Vice President had done him a favor.

"He's my benefactor," the 72-year-old former ambassador, cabinet officer and presidential adviser said. "He's bridged the generation gap for me. I can go to any campus and be welcome."

Mocking others in the administration, Mr. Harriman called for a reprimand for the high White House official who said recently "we are trying to expel" Soviet combat forces in Egypt. The statement was made during a foreign policy briefing for news executives at the Western White House on June 26. Under the ground rules, the briefing officials cannot be identified. A White House spokesman later expressed regret that some word other than "expel" had not been used.

Mr. Harriman labeled the word "expel" as "provocative," "dangerous" and "shocking."

Reaction in Moscow

He said such words "only help the hard-liners in Moscow and tend to put on the spot the people in Moscow who want to be reasonable."

Mr. Harriman said he was greatly concerned over the Soviet presence in Egypt and would like to see negotiations arranged for the removal of Soviet combat forces from there.

Mr. Harriman said he could see no evidence that President Nixon is prepared to take the steps that he, Mr. Harriman, feels are necessary to negotiate a settlement of the Vietnamese war.

Mr. Harriman supports the Clark Clifford proposal that the United States announce that all of its forces would be withdrawn from Vietnam by the end of 1971.

"We would be in better shape to negotiate if we would announce we are going to get out," he said.

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## 14 Anti-War Senators File Complaint Against TV Big 3

By John W. Finney

WASHINGTON, July 9 (UPI).—A group of 14 senators took the unusual step today of filing a complaint against the nation's three major television networks, charging they were being used as a platform to present views against the administration's policy in Vietnam.

The senators—all cosponsors of

## Agencies On Pollution Are Created

WASHINGTON, July 9 (AP).—President Nixon today signed legislation to place environmental protection and management under two new agencies.

The plans, to take effect unless Congress vetoes them, would create an independent environmental protection agency (EPA) charged with the fight against all forms of environmental pollution, and a National Oceanic and Atmospheric Administration (NOAA) within the Commerce Department.

The White House said the proposed antipollution agency would have an estimated budget of \$1.4 billion and 5,500 employees. The new and atmospheric administration, although larger with 13,000 employees, would have an estimated budget of 270 million.

The organization cuts deeply the functions of the Interior Department, and to a lesser but major extent into the functions of the Department of Health, Education and Welfare.

EPA would take over from Interior the federal water quality administration which directs efforts to combat water pollution.

From Health, Education and Welfare, EPA would take the federal air pollution control administration; solid waste, water, and some radiation safety functions; and the pesticides program of the Food and Drug Administration.

PA would also absorb pesticide control activities of the Agriculture and Interior departments; the federal radiation council and several radiation protection activities of the Atomic Energy Commission; and the ecological research function of the Council on Environmental Quality.

## Olden Gate Plunge

San Francisco, July 9 (UPI).—Honolulu stunt man, who told photographer he was sure he would jump safely from the Golden Gate Bridge, plunged 240 feet to his death yesterday in San Francisco.

Photographer Paul Kaye, 37, was helping stunt man, 27, to surface after what appeared to be a clean jump into the water. Watching the jump was Mr. Kaye's fiancée.



ASBURY PARK, N.J.—Framed in a bullet-shattered window, an armed policeman stands guard as the resort city enjoyed a day of calm after three days of violence.

## Some Ran to \$4 Million

## Senate Puts \$20,000 Limit On Payments to One Farmer

By William M. Blair

WASHINGTON, July 9 (UPI).

The Senate unexpectedly approved yesterday a \$20,000 limit on the amount of money the government would pay to any individual farmer under federal crop control programs in the next year.

Some farm operators in recent years have been paid large sums, running as high as \$4 million.

After the surprise action, which came as an amendment to the \$7.7 billion agricultural appropriations bill, the Senate voted another change, expanding the funding for food stamps by \$500 million. The action raised the appropriation for this form of food aid to the \$1.75 billion. The Nixon administration had requested \$1.25 billion for this program and the Appropriations Committee had proposed the same amount.

The farm payments limitation was approved in a roll-call vote of 40 to 35.

The action apparently caught the anti-limitation forces off guard, since several senators who are opposed to the limitation were not present. Therefore, yesterday's vote may not have reflected a true division in the full Senate on the issue.

Last year, the Senate defeated a similar proposal that originated in the House. The Senate position then prevailed in a Senate-House conference panel to reconcile differences between the two versions in an appropriations bill.

Senators opposed to the limitation argued unsuccessfully that the money bill was not a place for a limitation rider. Any limitation

on farm subsidies, they contended, should be in a general farm bill. There is strong likelihood that legislation this year for a payments limitation, which is most vigorous in the House, will prevail in some form, whether in the appropriations bill or in a subsequent general farm bill.

VA Funds Increased

WASHINGTON, July 9 (UPI).—The Senate has approved a \$3-billion appropriation for the Veterans Administration, including \$1.2 billion for medical care that is \$105 million more than President Nixon requested and the House approved.

The measure—providing funds for the current business year which began July 1—was approved yesterday after heavy criticism was leveled against conditions of hospitals in Virginia and treatment given to Vietnam war veterans.

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Rep. Dante B. Fascell, D., Fla., introduced the bill in the House today to authorize the President to cut off economic aid if the recipient country fails to cooperate in the war on drugs.

One of the latest to add his name

as a co-sponsor was Rep. Ferdinand J. St. Germain, D., N.J.

"I am tired of half-hearted gestures of concern while officials abroad wink at what is going on right under their noses," Mr. St. Germain said in the House. "The threat of terminating all economic and military assistance should be language they understand."

He referred to estimates that 80 percent of heroin smuggled into the United States starts out as Turkish opium and said, "No assistance which Turkey gives to our defense network balances out the harm which by her opium growing."

Other countries, he said, where opium is grown include Afghanistan, Yugoslavia, Iran and Mexico. The processing of opium into heroin and morphine, he said, "occurs in France, Spain, Italy, Lebanon and several other countries."

"Cocaine comes from Peru, Bolivia, Ecuador and Mexico," he said.

## Agnew Calls His Campus Remarks Not Monumental

DENVER, July 9 (AP).—Vice President Spiro T. Agnew said yesterday he does not think anything he has said had any "monumental significance" on campus disorders.

Mr. Agnew made the comment as he arrived for an address today to educators. On hand to meet him was Gov. John A. Love, an old friend.

Talking to newsmen as he left his plane, Mr. Agnew said campus disorders "have been with us a long time."

He expressed belief that the cause of "a multiplicity of factors" and added, "Not the least of which is the fashionableness of not enforcing sufficient internal discipline on college campuses."

Sen. Smith Undergoes

Surgery on Her Hip

WASHINGTON, July 9 (UPI).—Sen. Margaret Chase Smith, 72, R., Maine, the Senate's only woman member, underwent surgery in New York yesterday for what her office here called "total replacement" of her right hip. Her office said that the operation was "successful."

Mr. Smith has suffered from recurring hip trouble for several years and has used a small electric cart to get around the Capitol.

## Peace Restored In N.J. Resort Torn by Rioting

ASBURY PARK, N.J., July 9 (UPI).—Unarmed black youth

patrols and state police maintained peace in the streets of this resort community today while Negro leaders canvassed West Side ghetto residents on city government reactions to their demands.

Approximately 300 black leaders met for five hours yesterday with Mayor Joseph F. Matise to discuss the demands which included a proposal to grant amnesty to the 225 persons arrested during three nights of violence in which 160 were injured. Damage was estimated at more than \$1 million.

No serious incidents were reported yesterday as the black youths acted as a buffer between ghetto residents and police in an effort to end the violence.

State police announced earlier yesterday that Maj. Harold Graff, head of the Criminal Investigation Bureau, would head a probe of shootings that resulted in 46 persons being wounded, four seriously, on Tuesday. Police said that they fired into the air in a brief battle with a crowd of 200 persons.

Bill Would Halt Foreign Aid

## To Retaliate in War on Drugs

WASHINGTON, July 9 (UPI).—More than 100 House members joined today in co-sponsoring a bill to cut off foreign aid to any country not acting to stop the growing and processing of narcotics that flow into America.

Rep. Dante B. Fascell, D., Fla., introduced the bill in the House today to authorize the President to cut off economic aid if the recipient country fails to cooperate in the war on drugs.

One of the latest to add his name as a co-sponsor was Rep. Ferdinand J. St. Germain, D., N.J.

"I am tired of half-hearted gestures of concern while officials abroad wink at what is going on right under their noses," Mr. St. Germain said in the House. "The threat of terminating all economic and military assistance should be language they understand."

He referred to estimates that 80 percent of heroin smuggled into the United States starts out as Turkish opium and said, "No assistance which Turkey gives to our defense network balances out the harm which by her opium growing."

Other countries, he said, where opium is grown include Afghanistan, Yugoslavia, Iran and Mexico. The processing of opium into heroin and morphine, he said, "occurs in France, Spain, Italy, Lebanon and several other countries."

"Cocaine comes from Peru, Bolivia, Ecuador and Mexico," he said.

## U.S. Peace Corps To Offer Training For Urban Jobs

WASHINGTON, July 9 (UPI).

The Peace Corps announced plans yesterday to begin a pilot "transition program" to find urban-based jobs for volunteers recently returned from overseas.

The program, according to its director, C. Payne Lucas, will be to "get Peace Corps people plugged into problems of our inner cities, because I think ex-Peace Corps types are extremely well equipped to handle these kinds of problems."

Beginning on Aug. 3, a group of 550 will start the first three-week training cycle that, according to Mr. Lucas, will include discussions of the race problem, poverty, crime and drug abuse.

The trainees also will be given a chance to work briefly in areas of the city. After that, the corps will try to arrange interviews for the trainees and set them up with jobs.

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## U Thant Warns World Youth Against 'Dropping Out' of Life

UNITED NATIONS, N.Y., July 9.—United Nations Secretary-General

U Thant today formally opened a nine day world youth assembly here with a warning to the 700 participants against "alienation and dropping out."

The world body executive urged his young listeners to "come to grips with the fundamental causes of the present discontent" in the world like the "revolutionaries" of bygone days.

Young men and women, clad in Asian, African, Arab and Western dress, crowding the U.N. General Assembly hall, heard U Thant call for a "new patriotism to make international institutions work."

The delegates were gathered from the four corners of the world—from 110 countries and a score of international youth organizations—to seek solutions to international political, economic, cultural and social problems that have eluded their elders throughout history.

The General Secretary told them that it would, indeed, be a victory for humankind if the present assembly were to be remembered by succeeding generations, not for its disasters or even for its inventiveness, "but as a turning point when, for the first time, it became possible for all mankind to share the advantages of civilization."

The Assembly's opening was overshadowed by a Puerto Rican factional fight. Soviet attempts to bar Nationalist Chinese, South Koreans and South Vietnamese, and a Yippie threat to wreck everything.

Before the nine-day meeting's first session, Soviet participants signaled that they would demand the exclusion of Chinese Nationalist, South Korean and South Vietnamese delegates because no Chinese Communist, North Korean or North Vietnamese were attending. Hanoi and Pyongyang turned down invitations, and Peking ignored them.

Two University of Puerto Rico student council members demanded that they be seated in place of the official Puerto Rican participant, who was named by a government-sponsored committee.

"Yippie" Threat

The Yippie threat came to light yesterday when a busy-haired young man and girl, identifying themselves as Isaac and Lynn Yippie, tried to register as representatives of the "Woodstock Nation."

They said they represented the Youth International party—The Yippies—and Isaac said he was the party's finance minister. The couple had trouble getting through to officials and were told to come back today. Isaac said that if he did not get in, "we're going to wreck this conference."

On the eve of the opening, 628 participants had registered. The best known is Greek composer Mikis Theodorakis, who wrote the music for the films "Z" and "Zorba the Greek" and was recently released from political detention in Greece. He was admitted as a participant although he is 44—the conference is supposed to be for persons no older than 25.

Mayor John V. Lindsay of New York, who held a reception for the delegates last night, told them he hoped their deliberations would "make people understand that peace is the one subject of young people the world over," regardless of country or political system.

About 75 participants from 13 Arab countries boycotted the reception, accusing the mayor of an "adamant pro-Zionist stand."

## Youth Congress Opens U.S. Gates To Many Reds

UNITED NATIONS, N.Y., July 9 (WP).—With no apparent hang-

ups the United States has issued more than 600 visas to participants in the World Youth Assembly, including some from Communist countries the United States does not recognize.

Some 628 young people from 110 UN member countries and from about a dozen non-member states and non-self-governing territories are here today and will last through July 18.

Five representatives each are here from Albania, East Germany and Mongolia, countries with which the United States has no diplomatic relations. Ordinarily ineligible for entry, they were issued "C-2" visas with all other participants under an agreement that provides for admission for UN purposes.

Had representatives from Communist China, Cuba, North Korea, North Vietnam and the National Liberation Front elected to come in response to the invitations, they would have been admitted in the same way.

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## Short Fuse at Suez...

A creeping escalation by both sides in the embattled Suez Canal zone adds urgency to Secretary of State Rogers' proposal for a limited cease-fire to facilitate negotiations for an Arab-Israeli peace settlement.

Although there are some encouraging signs of movement by the United States and the Soviet Union toward a common negotiating position, there is growing danger that the big two may be dragged into a confrontation in the Middle East before they are able to push their respective clients to the peace table. Priority, therefore, must be given to defusing the short-fused time bomb on the Suez Canal.

Israel accuses the Soviets and the Egyptians of attempting to upset the power balance by extending the new SAM-3 missiles and improved SAM-2s, with Soviet technicians, into the Suez Canal area. This would threaten the aerial superiority that the Israelis insist—with reason—they must maintain over a 20-mile zone on the west bank in order to protect their thinly held positions on the east bank. President Nasser's threat to build "a complete anti-aircraft defense system" along the canal and the recent unprecedented destruction of three Israeli planes within one week over the Suez adds weight to Jerusalem's fears. President Nixon's tough statement of a few days ago

indicates that Israel's concern is shared in Washington.

But other United States officials do not subscribe wholly to this thesis. While conceding that Soviet missiles have been inching toward the canal, they say that no SAM-3s have been installed within 20 miles of the canal and that the relatively few SAM-2 emplacements within that range have been there for some time.

It is also worth noting that the first successful missile actions against Israeli jet warplanes occurred after a month of unusually heavy Israeli aerial bombardment of Egyptian positions along the canal and that the downings reportedly occurred at a site 30 miles inland from the canal. This suggests that while the Russians have been inching eastward, the Israelis may have begun to penetrate westward, beyond the 22-mile limit they set after the introduction of Soviet pilots flying in defense of inner Egypt.

Whoever is responsible for the latest escalation, it is clear that there is enough provocation and suspicion on both sides to precipitate a wider battle involving at least one of the great powers and probably both of them if President Nixon's stern warning is to be taken at face value. To avert this imminent danger, a cease-fire along the Suez has become an urgent necessity.

## ...And Elements of a Truce

To be effective, any cease-fire agreement for the explosive Suez front must encompass a number of essential elements.

One of these elements is a clear commitment from Israel to withdraw from the bulk of occupied territories in the context of an overall peace agreement. So long as the Arabs believe they have no chance to regain lands lost in the 1967 conflict through diplomacy, they are unlikely to renounce the military alternative no matter how costly or futile that alternative may be. If the United States is to stand behind Israel in this hour of trial, Washington has a right to expect Jerusalem to be more forthcoming than the Meir government has been so far in supporting the United States' effort to promote a diplomatic solution.

On the other side, the Israelis must have stronger indications that the Arabs and the

Russians are at last prepared to move toward real peace. In this respect, Arab rhetoric and Soviet-Arab military moves have certainly not been reassuring.

There must also be firm guarantees—probably through a strong United Nations presence—that a cease-fire will not be used to undermine the advantages Israel enjoys from her present forward position; that is, the Egyptians must not be permitted to utilize a truce to build an offensive capability on the west bank of the canal and there must be no move to reopen the canal prior to agreement on an overall settlement.

The imposition of a cease-fire under such conditions of reciprocal assurances and safeguards is a matter of the highest urgency for the United Nations and especially for the big powers.

THE NEW YORK TIMES.

## International Opinion

### Brandt's Ostpolitik

Herr Willy Brandt has got bogged down at home and abroad in a manner reminiscent of Mr. Wilson in his days of travail.

The trouble has been that, instead of concentrating on home affairs, as promised, he has neglected them and gone all out after a quick and resounding success in his new Ostpolitik. The results have been meager in the extreme, thanks to a brilliant stone-walling partnership between the Kremlin and Herr Ulbricht.

Instead of admitting this, Herr Brandt, often bypassing his Free Democrat coalition partner, Herr Scheel, gave encouraging but obscure reports of progress being made by his old Socialist party cronies, Herr Bahr, in marathon secret negotiations with Mr. Gromyko in Moscow.

The mounting alarm in public opinion was reflected in last month's provincial elections. Herr Brandt began putting the brake on. The date for Herr Scheel's much-postponed visit to Moscow for formal negotiations was still not forthcoming yesterday. Instead, Herr Brandt, yielding late in the day to mounting clamor for action on the home front, announced a stiff anti-inflationary program.

Education and crime are also to receive overdue attention. Concentration on such subjects is much more to the point, and much more likely to be rewarding, than over-optimistic efforts to remove Russia's real or supposed grievances.

—From the Daily Telegraph (London).

### Russia, Israel and the Arabs

The UN Secretary-General, U Thant, gave on Tuesday in Geneva the most encouraging assessment yet of Soviet proposals for a settlement to the Middle East conflict.

Has not the time come for the Soviet Union to be a peace-promoter as well as the military backer of the Arabs? The Soviet Union must fear becoming irrevocably committed to fighting actively on the Arab side and running the risk of the "collision of the superpowers" President Nixon talked about on July 1.

The Soviet Union used the creation of

Israel in the first place as the chink through which to introduce its influence into the Middle East. Its existence is still of service, as a lever for pro-Soviet Arab feelings. In any case, all the Arab states around Israel—with the exception of Syria and Palestinian guerrilla groups—have implicitly accepted Israel's continued existence through UN Security Council Resolution 242 of November, 1967.

The political support and economic links of the Soviet Union in the area would certainly survive a settlement...

An open Suez Canal would link Arab support in the Mediterranean and South Arabia and enable the Soviet fleet to move swiftly into the Indian Ocean and toward the Far East.

It is regrettable that U Thant felt, after telephone conversations with Jarring in Moscow, that there was not yet a basis for the reactivation of his mission. Perhaps the Soviet proposals can give it a new lease of life.

—From the Guardian (London).

### Soviet-Romanian 'Friendship'

The signature of Romanian Premier Maurer on the new Soviet-Romanian friendship treaty is doubtless a source of keener satisfaction to the Kremlin than Kossygin's signature is to the Romanians. Despite its many assurances to the contrary, Bucharest was unable to completely maintain its former policy and found itself compelled to accept closer links to Soviet foreign policy.

The Romanians had considerable success in avoiding being contractually bound to the Brezhnev doctrine. Small formal deviations, additions and deletions from the originally planned text of the treaty bear witness to the struggle which Romanian negotiators wage to precisely delineate and limit the obligations imposed upon their country, in order to narrow down the room for subsequent Soviet reinterpretations. Nevertheless, some inroads were made into Bucharest's previous position—a new indication of the Soviet Union's unrelenting pressure on its European outposts.

—From the Neue Zürcher Zeitung (Zurich).

## In the International Edition

### Seventy-Five Years Ago

July 10, 1895

LONDON—To English and Americans alike the opening of the Henley Regatta yesterday was a bitter disappointment. The event of the day was, of course, the heat in which the Cornell Varsity boys met the Leander crew in the race for the Grand Challenge Cup. Unfortunately, however, a misunderstanding spoiled the race and, in fact, so far as any actual contest is concerned, prevented the race coming off at all.

### Fifty Years Ago

July 10, 1820

LONDON—An Athens report states that the Greek army has occupied Brusa, the ancient capital of Turkey, in Asia Minor. Mustapha Kemal's followers had recently evacuated the town, which was practically at the mercy of the Greeks after their capture of Balikesir in the victorious advance from Smyrna. The Kemalists headquarters are believed to be now at Angora, further in the interior.



"Thanks for the Report, Harris, But Stop Referring to It as a Body Count."

## Again the Wild Irish

By C. L. Sulzberger

ALL week the Irish government has been warning foreign ambassadors that "a civil war situation" is possible in the northern six counties of Ulster, which are attached to Britain, unless London takes pacifying steps.

The precise request transmitted to British Foreign Minister Douglas Home July 8 by his Irish analogue, Patrick Hillery, is that London order its North Ireland satellite, the Stormont regime of Belfast, to cancel certain Protestant parades scheduled for Monday and that henceforth any searches for illegal arms caches be conducted impartially among Protestants as well as Catholics.

North Ireland is a tricky and anomalous place. Its million and a

half inhabitants are separated from the rest of the island by partition. They include two-thirds Protestants, one-third Catholics, whose political allegiance goes almost automatically by religious faith. The majority is loyal to London, the minority yearns for Dublin's rule.

They are all Irish and therefore love a fight: formidable men and easily stirred to passion. Hillery says: "This is a violent people. We have never been at peace in Ireland for 700 years."

At this stage Dublin is in no sense reviving the old effort to do away with partition. Immediate policy focuses on two aims:

1. Avoidance of bloodshed Monday when the Orange Order is due

to parade; 2. Ending "discrimination" against Ulster Catholics.

July 12 commemorates the Battle of the Boyne when Protestant King William of Orange defeated a Catholic army. The fervently Protestant Orange Order customarily celebrates with parades. Since the 12th falls on Sunday, sternly observed in much of the north, the ceremonies have been postponed until Monday.

The idea of an Irish parade touching off explosions seems remote to Americans familiar with the jovial St. Patrick's Day processions. However, Irish Catholics regard the Orange Order as an outright enemy and interpret its acts as provocation.

They claim that stalwart Orangemen in blinding chest sashes and hard derby hats, beating drums with sticks attached to their wrists by chains, so frenziedly that blood runs down, deliberately seek to inspire fear. Demonstrations thunder before Catholic homes, churches, clubs and taverns.

### Unyielding Orangemen

In the electric atmosphere existing after recent killings in Ulster, Dublin has requested London to revoke some parades and cancel those slated to march in predominantly Catholic areas west of the Bann River—Pomeroy, Maghera and Dungiven.

In view of existing tension, it seems reasonable that the Orange Order be refused to call off any parades although one can scarcely say it has suffered discrimination. It marches in various places some 1,400 times a year. The bulk has now moved to London which doesn't like to exercise ultimate authority over the Stormont's theoretical independence.

The discrimination problem is more difficult. Ulster Catholics have fewer civil rights than Protestants with regard to housing, jobs and the franchise in municipal votes. It is ridiculous that London, long ago insisted that full democracy be applied in Ulster as elsewhere in the United Kingdom.

The Ulster Protestant majority resents Catholic hopes to unify all Ireland and fears it might someday become a minority. Moreover, aware of the higher Catholic birthrate, it wants to ensure its own privileged status. This results in a built-in confrontation and recurrent tension, often spattered with blood. All Irish, whether they favor green or orange, enjoy a fight.

### No Partiality

Douglas Home assured Hillery there would be no partiality in enforcing law and order in Ulster but the Irish have been aroused by reports that the British Army, sent north last year to protect Catholics, has recently bullied them. Dublin's TV, talking about the "unnatural state" preserved by British arms and the "cruel line" of British military authorities, has scarcely cooled things.

In both sections of partitioned Ireland extremists are gaining at the expense of reason. Hillery himself contributed to this trend by a flamboyant secret trip to Belfast. The situation aches for calm but even the UN seems crippled. Dublin sought help there last year; however London's diplomacy kept the subject from the agenda.

It is possible, unless wise precautions are taken over this weekend, that serious trouble may suddenly erupt. An old Irish proverb says "You are easily led where you want to go" and too many people north and south of the border wouldn't mind having another bath.

## The U.S. and Japan

By Henry Owen

WASHINGTON—The collapse of U.S.-Japanese trade negotiations is a reminder that the central long-term issue in Asia is the U.S.-Japanese relationship. Japan is where the power in Asia is; if present trends continue and American relations with Japan go sour, the resulting damage could overshadow anything that happens in Southeast Asia.

The immediate issue is textiles. President Nixon promised Southern textile firms and labor unions in the campaign of 1968 that he would protect them against cheap Japanese imports. But the textile industry and unions are also U.S.-Japanese dialogue on security has become a focus for reviving nationalism and latent anti-Americanism.

The United States and Japan have not been able to agree on the terms of a voluntary limit on Japanese exports. This sets the stage for congressional action on proposals for a mandatory limit on U.S. imports—which could trigger a chain of retaliation whose end is hard to foresee.

### Political Issues

In the end, the textile question will probably be compromised; the two sides will learn to live with each other. But some damage will have been done along the way, and a vivid illustration given of the greater damage that lies ahead if the U.S. and Japanese governments are not able to take account of each other's domestic political problems in addressing issues which concern them both.

The skillful way in which the Okinawa question was handled shows that the problem can be solved if both sides work at it. The trick will be to repeat that success in dealing with two upcoming key issues: the U.S. security role in Asia and Japan's nuclear status. On each of these issues, attitudes are changing on one side of the Pacific but there is great insensitivity to that change on the other. This could end badly.

First, as to the U.S. security role: In the past, the United States flinched at the hands of what it took to be its own interests in Asia. If the Japanese felt that their interests were also being advanced, they applauded; if not, they were critical privately and silent publicly. American governments enjoyed the luxury of deciding what to do without having to defend U.S. actions to their own public.

But now the United States is moving toward a lower profile and coming increasingly to see its interests in Asia as centering on the main aggregation of power in that area—Japan. Future U.S. governments will probably be reluctant to undertake Asian military actions or commitments which do not relate clearly to that interest.

This means that they will want to consult closely with the Japanese, and prefer to act only when explicit U.S.-Japanese agreement can be secured. They will not expect Japan to join in military action, but they will want and expect Japanese political support.

But most Japanese are still in the 1950s. When told the U.S. action will henceforth be geared to U.S.-Japanese common interests, they feel an uncontrollable urge to change the subject. The U.S.-Japanese relationship of the 1950s enabled them to escape unwelcome responsibilities, and many of them want to keep it that way.

The end result, if an effective U.S.-Japanese dialogue on security cannot be developed, may well be a more rapid U.S. withdrawal from Asia than most Japanese desire. This, in turn, could hasten the advent of the second looming problem in U.S.-Japanese relations: the nuclear issue.

Japan signed the nonproliferation treaty, but has not ratified it; no one should be so foolish as to think that the matter is settled. The Japanese see two European countries inferior to them in economic power—England and France—swarming about as enemies of the supposedly exclusive nuclear club. China is setting off nuclear explosions close at hand, and India may follow suit.

Japan would not relish being the only major Asian country without first-class weapons. Add to this the alleged industrial-technological benefits of going nuclear, and fears that the United States will cop out of Asia, and the stage is set for a major Japanese debate on this issue in the late 1970s.

### Dialogue of Deaf

But Americans are as insensitive to changing Japanese nuclear attitudes as Japanese are to changing American views of the U.S. security role in Asia. This makes Americans as reluctant to consider what it takes to offer Japan a viable alternative to going nuclear as the Japanese are to help define U.S. security interests in Asia. The two sides are talking past each other; it is a dialogue of the deaf. The outcome could be the emergence of a Gaullist-type Japan, relying on its own nuclear strength to protect its own interests, separated from an increasingly isolated United States by a widening Pacific.

This is not a nightmare; it could happen. The way to make sure it doesn't is for both countries to discard the past clichés which now color their views of each other.

Mr. Owen, a former Chairman of the U.S. State Department's Policy Planning Council, wrote this article for The Washington Post.

## Letters

### Dudman Series

Like Susan Weiser Getters, July 4-5 I, too, found Richard Dudman's story of his capture by Cambodian guerrillas and his subsequent treatment very interesting and informative. But, unlike her, I do not see as I read along the clear that the Viet Cong in charge of him (they paid little attention to the other two reporters with him) had a job to do. They did it well—they gave Mr. D. an A-1 Communist brainwash. You can be sure that if it hadn't been successful neither he nor his companions adversely would have been set free.

Just the same, I am not one of those readers who will not admit of a human feeling or motive in a Communist. For everybody by now knows of one at least who has earned the respect and admiration, as both a decent human being and a very brave man, of millions of Americans—the world over—Alexander Dubcek of Czechoslovakia. He is a perfect example of what happens to a party member who gives overt expression to human feelings about the inhuman face of Communist regimes, including the North Vietnamese.

STEPHEN MADDERICK, Clamart, France.

After reading the first three Dudman articles, I realized why the Communists had released him while still retaining 20 other correspondents.

In his fourth article Mr. Dudman reassured me it wasn't pro-

paganda—and his reassurance was simple—why he himself had said it. I can recall Kim Philby's journalistic enterprises, and his technique in reporting favorably for the Communists in the Spanish Civil War. It is remarkable how similar Dudman and Philby are in their reporting technique. For example he (Dudman) never bothers to reflect that these Communists with whom he sips tea are also killing his fellow Americans. But why do that and injure a good piece of propaganda?

THOMAS H. INGRAM, Singapore.

### Two Versions

On Page 3 (JHT July 3) we read that the White House has an anti-Negro assistance plan for the first time providing a flow under the income of every family in America... I cite Mr. Garmet for the administration, in response to Bishop Stephen G. Spottswood's criticisms of the Nixon administration.

On the same Page 3 we read under the headline, "Welfare Bill Chances Slim—Moyrhan": "In a pessimistic assessment, Daniel P. Moyrhan asserted that if it is not enacted this year it probably will not become law in this decade."

Credibility Gap? Nostril! I believe both Bishop Spottswood and Mr. Moyrhan.

JOHN FRIEDL, Kippel, Switzerland.

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Published and printed by International Herald Tribune at 11 Rue de la Paix, Paris, France. Tel.: 235-20-20. Telex: 82300. Cable: Herald, Paris.

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## Movies in Paris

## A Story from the South

By Thomas Quinn Curtiss

PARIS, July 9. — Nothing seems to have improved socially since 1865 in Tennessee. Racism may wear a mask publicly, but it operates behind the scenes as ruthlessly as it did in the days of slavery. Such is the depressing message that "The Liberation of L.B. Jones," which has just opened at the Paris (in English), delivers. It will shock Europeans as it has shocked civilized Americans.

Its director, William Wyler, as competent movie maker as the American cinema possesses, has received countless letters of protest. The majority of these argue that there are millions of white Southerners who abhor the Ku Klux Klan, favor equal rights for blacks and are making an heroic effort to alter injustice. "I have replied," said Mr. Wyler, visiting Paris last week, "that there are undoubtedly such people, but my film is not about them."

His film, based on a novel by Jesse Hill Ford, is about a black undertaker in a Tennessee town who seeks a divorce from his wife, charging her with adultery. Her lover is a white policeman. If she does not contest the divorce, her co-respondent will not be named in court. But she is greedy for a financial settlement from her husband and engages a lawyer to defend her. To prevent a scandal and the policeman's losing his job, the undertaker is lynched by the police.

From this ugly and disturbing tale, Mr. Wyler has distilled a powerful tragedy, uncompromising in its accusations

and, in the main, convincing in its execution. He has handled the central plot flawlessly. If in the secondary story of a black native who returns to murder a policeman who has abused him in his boyhood the action turns melodramatic, one allows that melodrama is never far from reality in such a setting.

## Point of View

The events leading up to the slaying of the undertaker are seen through the eyes of a local lawyer's nephew who has come home from the North with his young wife. It is the nephew who urges his uncle to take on the undertaker's divorce case.

Mr. Wyler has provided a graphic picture of a Southern town, contrasting the stately mansions with the black quarter of shabby frame houses down by the railroad tracks. The temper and the mores of the people, both black and white, are shrewdly delineated and the dialogue has the ring of the lifelike talk of such a community. It is not completely one-sided in its narrative, as the real engine of destruction is the faithless black wife. Are the portraits of the white villains exaggerated? Yes and no. It would be absurd to deny the existence of such men, but perhaps they are not as representative as the film tends to suggest.

The consummate direction is matched by superb interpretation. Roscoe Lee Browne is a remarkable actor and his characterization of the persecuted undertaker is done to employ the E.M. Forster phrase—



SOUTHERN SETTING—Anthony Zerbe, top, and Roscoe Lee Browne in the film "The Liberation of L.B. Jones."

"in the round." It presents all aspects of this individual: his plight in being entrapped by a vicious young woman, his attention to his business affairs and the fatal dignity that leads to his death.

Lee J. Cobb is effective as the old lawyer of Big Daddy pattern and Anthony Zerbe makes a personal triumph as the brutal, slow-witted policeman, while Lola Falana scores strongly as the perverse, trouble-making wife. Yaphet Kotto, Arch Johnson, Zara Cully and Chill Willis are excellent in support.

## Movies in New York

NEW YORK, July 9.—The New York Times film critics found little to praise in new movies in New York.

"Tell Me That You Love Me, Junie Moon," with Liza Minnelli, Ken Howard and Robert Moore as three self-styled "freaks," who set up housekeeping together, is based on what Vincent Canby calls a "stagnant novel" by Marjorie Kellogg, but is diminished by the direction of Otto Preminger. "Preminger ('Hurly Sundown,'

"Anatomy of a Murder") displays his characters without ever revealing them, or letting them reveal themselves. In "Junie Moon," the people never seem more important than the things Preminger places around them, or more important than the theatrical lighting and the clever techniques. This sense of display is completely inappropriate for a movie dealing with such private emotions as loneliness, embarrassment and suddenly recognized friendship."

"Beatniks," with Robert Morse, Phil Silvers and Wally Cox and directed by Norman Tokar, is a movie about weekend hosting which tries without success to be a good situation comedy, according to Roger Greenspan, and isn't a good movie about anything either. "The only advantage of its assumed subject and particular locale (Newport Beach, Calif.) is that there are a lot of small boats to look at to help you pass the time between the deposing and the withdrawal of each verbal or visual gag."

sound and fury merely add up to a double dud." The cast of the former includes David McCallum and Suzanne Neve. Stuart Whitman and John Collin head the cast of "The Last Escape."

## At the Theater

"The Wars of the Roses," based on "The Chronicles of King Henry VI," a work sometimes ascribed to Shakespeare, got a favorable review from The New York Times: "It doesn't matter very much whether they are Shakespeare or a whole green-room of his contemporaries. What does matter is the vigor and pace with which these chronicle plays unfold." Reviewer Clive Barnes praised the cast which includes Nicholas Kepros, Robert Geringer, Patrick Hines and Barbara Caruso, directed by Stuart Vaughan. The play is being presented in two parts by the New York Shakespeare Festival in Central Park.

## Wave of 'Inside' Books on Nixon

By Haynes Johnson

WASHINGTON (WP). — Billy Graham delivering prayers in the White House, Julie Nixon leading tours, the President delivering his state addresses and dealing with his crises—these are all part of the latest chapter in an ancient story set along the Potomac.

The writers, with an assist from the White House, are again at work in Washington. Already, the first wave of "inside" books on Richard Nixon's Washington is beginning to crest. The White House has been working with several authors who are developing books on the Nixon administration and Nixon himself.

Not surprisingly, that group includes few, if any, authors whose past work has been sharply critical of the President. One of these is Victor Laszlo, who has moved to Washington from New York. He is now at work full-time on an appraisal of the Nixon presidency. Mr. Laszlo is the author of two classic books about: "F. and Robert F. Kennedy: 'JFK': The Man and the Myth," and "Robert F. Kennedy: the Myth and the Man."

## Not Official

"I understand there are not to be plans for an official book on the administration," says Walter J. Minton, president of G.P. Putnam's Sons, the New York publishing house that has commissioned the Laszlo book on Nixon. "I was told by a friend in the administration that

Laszlo would be about as close as you get."

The White House makes the point that it is not attempting to direct—or rewrite—history. Its role, according to communications director Herbert G. Klein, is to try and help the writers by talking with them and making people available for interviews.

The group on the current White House book list could hardly be considered hostile. By their scope and focus, most of the projected works promise to be favorable, if not flattering. Nor will the timing upset the political thinking inside the White House. Laszlo's book, Putnam's says, will be ready in time for 1973.

Others that the White House knows about will be ready long before then.

Two of these are being published by Funk & Wagnalls, a firm that has close Nixon ties from the past. Funk & Wagnalls is owned by Reader's Digest Books, Inc., a division of the Reader's Digest Association. The Reader's Digest, a publication with a conservative reputation, commissioned articles by Richard Nixon in that long period when he was out of public office during the 1960s.

## Nixon's Speeches

The Funk & Wagnalls works include a collection of Nixon's speeches and major policy statements. It is being edited by Richard Wilson, of Cowles Publications. The working title is "Setting the Course: The First Year." Publication is planned for September. A more ambitious project for that firm is

being undertaken by Jeffrey Hart, a Dartmouth professor who is senior editor of the National Review and on the board of directors of the American Conservative Union, is planning a book on the Nixon years leading up to his election as President.

Among other books in which the White House has been involved are a volume by Art Linkletter, tentatively entitled, "Children's Letters to the President," a collection of sermons delivered at White House prayer sessions; and a text and picture book on the Nixon White House by Allen Drury and photographer Fred J. Maroon. Contractual negotiations for that last book are now under way with Doubleday.

Doubleday, which published Mr. Nixon's own "Six Crises" as well as Dwight D. Eisenhower's books, also has signed up Kevin P. Phillips, the author of "The Emerging Republican Majority," for future political books.

## Other Books

Others now working on books about Mr. Nixon's presidency have no such prior ties. One of these is Robert Semple, White House correspondent of The New York Times. He has signed a contract with Harper & Row to do a Nixon book. Already on the stands are two more critical appraisals of Mr. Nixon. These are John Osborne's "The Nixon Way" and Jules Witkovsky's "The Resurrection of Richard Nixon."

No matter how much it would like to shape its public image, and every administration harbors that wish, the Nixon White



Art Linkletter... children's letters



Billy Graham... collected prayers

House knows that writers, like voters, can be fickle. After all, it was the Kennedy family that commissioned a friendly writer. He turned out to be William Manchester.

## O'Hara's Scorn for Critics Lives on at Memorial Exhibit

By Alden Whitman

NEW YORK, July 9 (NYT). — John O'Hara's cantankerous scorn for his critics lives again in a memorial exhibit of the writer's work that opened Tuesday at the University Libraries of Pennsylvania State University at University Park.

John O'Hara, who regretted his failure to win a major literary prize.

NYT.



the exhibit, which lasts through Aug. 14, by Charles W. Mann, the library's chief of rare books and special collections.

## Original Manuscripts

Included in the display, which is open to the public, are Mr. O'Hara's manuscripts of "Assembly," "The Big Laugh," "Sermos and Soda Water" and "The Lockwood Concern." But the centerpiece is the original typescript of "Appointment in Samarra," on loan from its owner, Mrs. Adele Lovett of Locust Valley, N.Y.

One of O'Hara's great regrets was his failure to win a major literary award such as the Pulitzer Prize. This resentment is in evidence in the typescript of his acceptance speech.

In it he stresses that the Academy Award was bestowed by fellow writers. "Baseball players cherish the M.V.P.—Most Valuable Player—award because it is given them by other baseball players," he wrote, adding:

"The baseball writers, in other words, the critics, are the ones who decide on elections to the Baseball Hall of Fame. But the players themselves vote for the M.V.P. award, and they really know."

"The men and women of the academy give of their own prestige, since they have all been recognized and honored before; they are elected to the academy. This, then, is unquestionably the highest recognition, the top honor I have received in my professional career."

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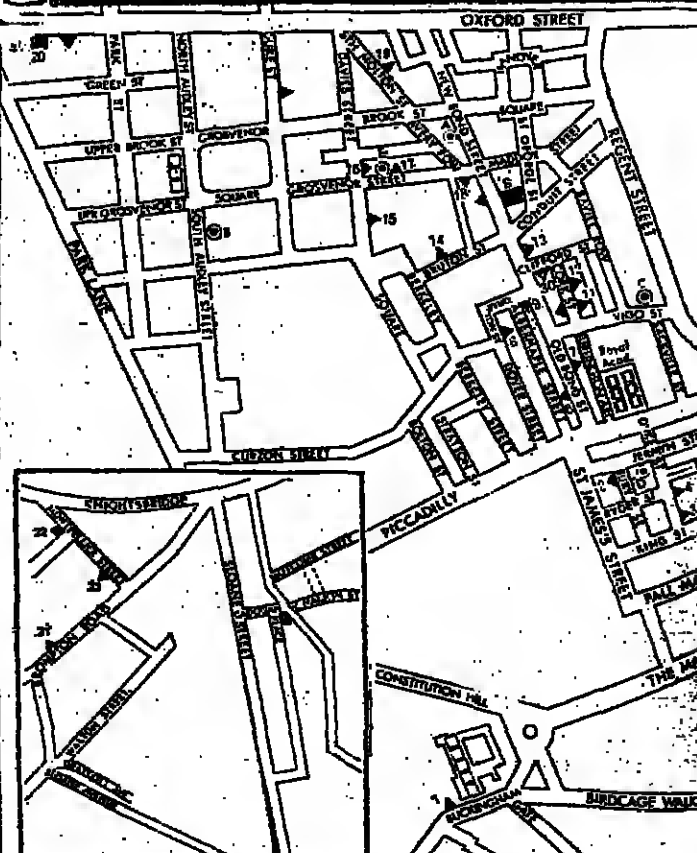
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PARIS, FRIDAY, JULY 10, 1970

Page 7

## Treasury Chief Admits Budget Deficit Growth

By Eoin Belton

WASHINGTON, July 9 (Reuters).—Treasury Secretary David Kennedy conceded today that the deficit for the 1970 fiscal year ended June 30 exceeded upward revised estimates of \$1.8 billion by a moderate margin. He did not specify the actual extent of the revenue slippage, especially from corporate taxes, was greater than anticipated, he said, while expenditures held about in line with original estimate of \$200.8 billion despite the federal payroll in-

crease. Kennedy also said he foresees U.S. balance of payments continuing to be in deficit indefinitely an official settlement.

In an interview if the current account surplus could grow to \$4 billion level, necessary to set natural capital outflows at zero dollar parity rates, Kennedy said "no."

Although hesitating to describe the situation as "chronic," Kennedy conceded that present aid to foreign investment commitments, in addition to military expenditure abroad, meant situation could not be fundamentally corrected in the foreseeable future.

His slide into serious deficit of unified budget in fiscal 1971 is largely financed out of plus trust accounts, and there will not affect financial markets, Mr. Kennedy said. But he did not say whether federal agencies would continue to exercise a check on liquidity conditions in the foreseeable future.

He acknowledged that a widening of the budget gap would require monetary restraint, de- the effect this would have on liquidity situation in bank- and business. For this reason,

balance urged in U.S. Corporate role in Europe

RUSSELL, July 9 (Reuters).—Common Market Executive mission today called for more U.S. investments in the area.

Reply to a question from a peer, Parliament, Mr. Giscard d'Estaing, president of the French Republic, said that the advantages for European in being taken over by Amer-

by the community in this commission had been asked her it was considering action for the regrouping of two

the new firm controls nassen en Drijververblifa NV Schmalbach-Lubeca-Werke AG.

Chairman of CGCT named to ISE Post

PARIS, July 9.—Georges Goude, chairman of Cie. Générale de Téléphonie, was named to the board and a president of International

ward Electric in New York. T. Europe also notes that the

per title in English for Marc vergon is vice-president of Europe, not vice-chairman as

erred in yesterday's International Herald Tribune.

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shortly for the execution of the "Novo de la Piedra Recreation Park," which will comprise green zone, mechanical equipment and other attractions, on the grounds belonging to said institute, in the Metropolitan area of Caracas (2,000,000 inhabitants), with direct access by highway.

The objective of this call for tenders is the preparation of the project and the construction of profit-yielding and non-profit areas, as well as its operation and management through contracting party.

Financial companies and corporations and construction enterprises, both Venezuelan and foreign, desiring to participate, should submit their offers in writing to:

Instituto Autónomo Parque del Este Avenida Francisco de Miranda, Caracas, Venezuela.

Deadline: August 1, 1970. The Institute will forward to them all details in regard to this call of tenders.

Caracas, June 17, 1970.

## Big Copper Find Reported In the Congo

Japanese Group Calls Joint Discovery Giant

TOKYO, July 9 (Reuters).—Congo Mining Development Co. of Japan claimed today that one of the world's richest copper belts has been found in Kinshasa, the Congo (Kinshasa).

It said the discovery was made by Sté. Développement Industriel et Minier du Congo (Sodimico), a joint mining firm owned 55 percent by Japanese firms and 15 percent by the Congo.

The Japanese consortium, led by Nippon Mining, said Sodimico confirmed the existence of deposits totalling 25 million tons of 5.1 percent copper content ore with 36 test borings.

But latest borings found a new, richer copper vein of 8.4 percent, indicating that Kinshasa could become one of the world's biggest copper resources, it said.

Sodimico is already planning to invest about \$75 million in a copper mining project at nearby Musoshi, planning to start production in October, 1972, at an annual rate of 54,000 tons of copper, all to be shipped to Japan.

It said. Proven deposits there amount to 110 million tons of 2.1 percent copper content.

The Japanese said the Kinshasa mine is expected to begin supplying about 70,000 to 80,000 tons of copper annually to Japan from 1975 or 1976, if the prospecting work proceeds well.

The Japanese government has so far financed a total of 10 billion yen (\$28 million) for prospecting and construction at Musoshi and Kinshasa, it said, and the consortium has applied for another government loan of about 8 billion yen.

But Fred J. Boroh, board chairman of General Electric, advised the Nixon administration to just keep on doing what it's doing—fiscal restraint and modest monetary expansion.

The main problem today is confidence, he said. But he predicted the economy will turn up before the end of the year as the rate of price increases slows, and rebounding confidence leads consumers to spend more.

Sen. J. W. Fulbright, D., Ark., chided both witnesses for not assigning major blame for the deteriorating economy to the Indochina war.

And Rep. Wright Patman, D., Texas, chairman of the Joint Economic Committee, sought to rebut Sen. Fulbright by contending that interest charges have been far greater than the cost of the whole Indochina war.

He said each percentage point increase in overall interest rates costs Americans more than \$15 billion a year.

Rep. Patman had kicked off the committee's three-week midyear economic review by claiming that the evidence indicates that for the first time since the Employment Act was passed in 1946 it is not meeting any of its major goals—high employment, steady economic growth and stable prices.

Not many new ideas were exposed at the first-day hearing.

Means for increasing productivity (physical output per man-hour), particularly in the government and services sectors, took up most of Mr. Boroh's statement.

Enter Prices

Productivity has traditionally increased faster in manufacturing. But since prices tend to go up faster in low-productivity services such as medical care, they exert cost-of-living pressures for higher factory wages, Mr. Boroh explained.

"The lack of productivity improvements in services is thus, in a sense, folded back into manufacturing costs, contributing further to the overall problem of inflation," he said.

Mr. Boroh also wondered out loud if the needs of another era might not have resulted in an economy whose "focus seems to be on the status quo rather than adaptability to needs."

Swiss Banks Approve Fund Control Plan

BASEL, July 9 (Reuters).—The Swiss Bankers' Association today announced its support for current official attempts to bring foreign investment funds operating in Switzerland under similar controls to those on Swiss funds.

The association noted in a statement that the present two-year-old ruling on foreign funds has proved inadequate and approved the Finance Ministry's decision to empower the Federal Banking Commission to work out a new one, likely to come into effect early next year.

Under the new regulations, promotion of non-Swiss funds would only be possible through a Swiss bank, to be named by the fund management.

The association noted this would exclude the often-aggressive sales companies of foreign fund managers.

Foreign funds would also have to place their assets with a deposit bank. Investments in securities and property would be permitted but not in commodities.

Foreign funds would also be subject to a repurchasing obligation, as well as having to publish accounts and allow their operations to be examined by independent auditors.

The funds' statutes would be required to set out investment policy direction, methods of calculating issue and repurchase prices, and all costs involving the investor.

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## New Gauge Puts U.S. Jobless Rate At Two-Year High in 2d Quarter

WASHINGTON, July 9 (NYT).—The second quarter of this year actually showed the first really significant rise in unemployment during the current economic slowdown, according to a new measure of unemployment developed outside the government.

The second quarter's jobless rate by this measure was 5 percent—a two-year high—up sharply from 4 percent in the first quarter and a quarterly average of 4 percent during 1968. Government figures set a 5 percent rate in May and called it a five-year high. In June, this rate slipped to 4.7 percent, but the number of people jobless rose by a third.

The new method seeks to measure "hidden unemployment" by calculating a "true" and "smooth" labor force that includes women and teenagers who move in and out of the officially reported labor force according to the availability of jobs.

It was developed mainly by Alfred J. Tella, an economist now doing research at Georgetown University and formerly with the Federal Reserve Board. His unemployment series has attracted some favorable attention within the government, although the Bureau of Labor Statistics is far from ready to accept it as better than the reported unemployment figures.

House Unit in Tentative Pact On Textile Import Quota Bill

WASHINGTON, July 9 (Reuters).—The House Ways and Means Committee tentatively approved today a textile import quota legislation, a member said.

The committee member added, however, that the legislation would give President Nixon wide discretionary authority to aim the quota only at countries disrupting U.S. textile markets through high export levels.

Amendment Passed

But a major administration-supported amendment adopted by the committee declares:

"The President may exempt from [the quota] for a period of 12 months any textile article produced or manufactured in any country whenever he determines that imports of such articles from such country are not contributing to, causing or threatening disruption of the market in the U.S."

Moreover, the amendment would allow the President to renew the exemption period for any country by making the same finding 30 days before the 12-month period is up.

Japanese Question

Congressional sources said the amendment is clearly aimed at forcing back Japanese textile imports, but possibly leaving untouched imports from developing Asian nations and perhaps some members of the European Economic Community. Similar action is expected on footwear legislation.

The legislation is expected to be sent to the Senate soon.

The bill would also allow the administration to continue to negotiate with Japan for a voluntary textile export limitation which, if hammered out, could eventually replace the quota.

U.S. Clears Geigy, Ciba Merger Plan

WASHINGTON, July 9.—The Justice Department said today "agreement in principle" has been reached under which the U.S. government will approve the merger of Ciba Ltd. and J.R. Geigy SA so long as certain conditions are met.

In Basel, directors of both firms said their long-awaited merger terms had been set, involving equality of value and rights for shareholders of both parent firms.

The capital of Geigy will have to be equalized to that of Ciba. Exact terms were not disclosed.

Threat of Suit

The two Swiss chemical giants had previously been warned an anti-trust action would be brought against the U.S. subsidiaries if they merged. The suit will still be filed if the merger is consummated but a consent judgment will be filed simultaneously permitting the link to go forward, the department said.

The department declined to disclose details of the proposed settlement, noting final approval by all parties is still pending.

The combined turnover of Geigy, 3.16 billion Swiss francs (\$730 million) and Ciba 3.6 billion (\$705 million), in 1969 figures, would make it Switzerland's largest chemical concern, well ahead of Hoffman La Roche.

Original Idea

In a joint statement to shareholders, the companies said they have abandoned the original idea of a straight merger of the two firms "which otherwise was considered more appropriate and desirable" because of cost factors involving tax payments.

Between them the two companies have more than 140 production and sales organizations in 80 countries. Both regard the United States and Canada as their fastest growing markets and about half Geigy's sales are estimated to be in North America.

CFP Dutch Refinery

MIDDELBOURG, Holland, July 9 (Reuters).—Cie. Francaise des Petroles will invest several hundred million guilders to build an oil refinery in the Sloe area, near Vlis-singen, with an initial annual processing capacity of 5 million metric tons of crude oil, it was announced here today.

The refinery is scheduled to go into operation during 1972.

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Name: Address:

## Big Board Sets Large, Broad Gain

By Vartan G. Vartan

NEW YORK, July 9 (NYT).—Stock prices advanced briskly today for the second straight day as a pickup in institutional activity sent trading volume higher on the New York Stock Exchange.

Virtually every major group except gold stocks closed with gains. But blue chips generally outperformed the glamour sector.

The Dow Jones Industrial average, finishing within a whisker of its best price level of the session, ended at 692.77 with an upswing of 10.68.

This brought the gain on the Dow indicator to more than 23 points over the last two sessions, more than wiping out the decline of nearly 20 points on Monday and Tuesday.

Popular railroad averages, which recently had rolled down-grade to 12-year lows, moved higher, as did the utility averages.

Wall Street analysts credited the 1 1/2-week rally in bond prices, as well as the growing belief that the peak in interest rates has been seen, as major reasons for the rally in the stock market. There also was some conjecture that the Federal Reserve Board may move shortly to ease credit further—a development that would be welcomed by the market.

Super-Sized Trade Reported

NEW YORK, July 9 (AP).—A block of 1.02 million shares of Northwest Airlines stock was traded on the New York Stock Exchange today—the second largest block in the history of the exchange.

The stock sold for 14 1/2, down 1/8, but Northwest ended the day at 15 1/2, up 1/8.

The all-time record for a block trade occurred on Oct. 31, 1967, when 1.15 million shares of Alcan Aluminum changed hands.

IOS Activities In Japan Are Closed Down

TOKYO, July 9 (AP).—Investors Overseas Services is closing down all operations here, William L. Masse, former president of IOS Financial Enterprises K.K., the group's Japanese subsidiary, said today.

Mr. Masse said he has been fired by IOS. Three weeks ago when he visited the group's headquarters in Geneva, he said it had been decided that a small liaison staff would be maintained. Now, however, it has been decided all activities will cease, he said.

An IOS spokesman said today the closure was an economy measure. He said the company planned to set up a new operation in Japan in the future, but preparations were in a preliminary stage and did not require an office in Tokyo. He did not elaborate.

He called the decision "unbelievable" saying that the Japanese market is the last one of any consequence that remains unexploited by the group.

Mr. Masse strenuously denied that IOS mutual funds are liquidating their \$200 million worth of holdings in Japanese shares, or will do so as a result of the Tokyo office closure.

Mr. Masse said he had been a director of three IOS companies and now owns about 0.5 percent of outstanding shares of IOS Ltd., the group's parent company.

Government Supervision

To overcome Treasury and SEC objections charging a lack of government supervision over the proposal in the original plan, the new measure would provide the Treasury secretary with the authority to levy a charge on broker-dealer equity transactions whenever SIPC became indebted to the government.

The proposal would allow the Treasury secretary to charge customers up to 20 cents per \$1,000 transaction should the line of credit have to be utilized after a determination by the Treasury secretary that broker-dealer assessments would not be enough to pay back the loan.

Mr. MacLauray said the proposal, based on 1969 stock exchange transactions, would yield some \$37 million annually "and somewhat more than that amount in view of its application to certain non-exchange transactions as well."

He told the subcommittee that he realized there were difficulties in levying such a charge equitably

Volume on the Big Board moved up to 12.82 million shares, thereby exceeding the 12 million-share figure that the NYSE now says represented the "break-even point" on the commission business of its member firms last year.

Although mutual funds and other institutions stepped up their pace in buying and selling blocks, the pattern appeared to be one of switching stocks rather than an aggressive bidding for equities.

Du Pont, a feature among the blue chips as it attracted investment buying, rose 4 7/8 to 120 1/8. Westinghouse Electric, which said it plans to make a line of "mini-

computers," climbed 1 1/8 to 62 5/8. American Telephone added 3/4 to 43 1/4 after officials indicated that profit trends will improve over the remainder of this year. International Telephone moved up 1 to 33 7/8. Management has forecast a substantial gain in 1970 earnings.

There were gains of a point or more in such diverse blue chips as American Brands, American Can, International Paper, General Foods, Union Carbide and United Aircraft.

Among the glimmers—a group that posted big advances yesterday, Disney fell 4 to 118 and American Research and Development eased 1 3/4 to 44.

SEC and Securities Industry Set Insurance Compromise

WASHINGTON, July 9 (Reuters).—Securities and Exchange Commission chairman Hamer Budge told Congress today his agency and the securities industry have reached an agreement on legislation to protect customer accounts against brokerage house failures.

"We have achieved a consensus on this most important proposal," he testified before the House Commerce and Finance subcommittee. "We urge that it be enacted."

Witnesses also made clear that the plan was also backed by President Nixon.

The new insurance program is aimed at covering customer securities losses up to a limit of \$50,000.

Creating Firm

The legislation agreed upon calls for the creation of a Securities Investor Protection Corp. (SIPC) that would supervise a broker-dealer trust fund with an initial capital of \$75 million, which would grow to \$150 million not later than five years after the bill was signed into law.

SIPC would have a 15-man board, ten of whom would represent various specified organizations in the securities industry and five of whom would be appointed by the President. The chairman would be elected by the board from among the presidential appointees.

Under the agreement, not more than 80 percent of the trust fund, five years after it is created, could consist of lines of credit to commercial banks. This represented a major victory for the SEC which had complained that the original industry plan had relied too heavily on lines of credit.

Mr. Budge and Treasury Deputy Under-Secretary Bruce MacLauray also announced a compromise plan on the security industry proposal to create a \$1 billion line of credit with the U.S. Treasury to back up the trust fund.

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Mr. MacLauray said the proposal, based on 1969 stock exchange transactions, would yield some \$37 million annually "and somewhat more than that amount in view of its application to certain non-exchange transactions as well."

He told the subcommittee that he realized there were difficulties in levying such a charge equitably

on different types of broker dealer transactions.

But he said, "It would be irresponsible not to make provisions for such a charge when a billion dollars of public funds are theoretically at risk."

Fund Reaction

WASHINGTON, July 9 (NYT).—A spokesman for the mutual fund industry asked Congress yesterday to exempt from the coverage and costs of the proposed broker-dealer insurance plan those small brokers who sell only mutual funds and fund underwriters who do not do a general securities business.

Robert L. Augenblick, president of the Investment Company Institute, said they do not engage in the types of activities that create the risk of losses to customers in the event of the broker's bankruptcy.

"Those risks arise mainly, he said, from the uses that some brokers make of customers' cash balances in margin accounts and of their securities that the brokers hold, either in these accounts or otherwise."

"The cost of the insurance should be borne by those who create the risk," Mr. Augenblick said.

British Railway Comes Up With a Profit for 1969

LONDON, July 9 (UPI).—Britain's state-owned railway system today announced a £15 million (\$36 million) net profit for 1969 and the board which runs it said it hoped this heartening result will improve its public image.

In the two previous years British Rail suffered losses of about £150 million each year.

The board said the profit should "eliminate the stigma which attaches—whether justifiably or not—to recurring losses by a public corporation." It promised higher speed trains, exceeding 125 miles per hour, and redesigned carriages for comfort.

The nationalized system earned a gross of £26 million in 1969, with government-approved reconstruction of the board's finances responsible for about £40 million and the remainder was "true business profit," the board said.

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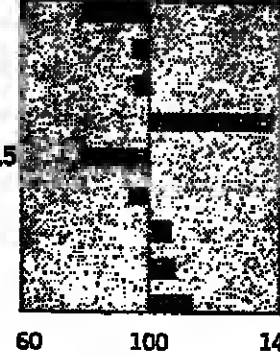
ONE OF THE FASTEST GROWING FINANCIAL COMPANIES IN THE WORLD

## For the Investor who requires a worldwide viewpoint

### International Stock Price Indices

Percentage of change March 31, 1969—March 31, 1970

UNITED STATES — 15.9  
EUROSYNDICAT — 5.1  
AUSTRALIA — 3.5  
JAPAN + 37.0  
UNITED KINGDOM — 16.5  
GERMANY — 4.0  
FRANCE + 5.6  
NETHERLANDS + 6.2  
ITALY + 13.1



## MODEL, ROLAND & Co., INC.

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**\* Production up 26.5 %**  
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proven high-performance engines. Our racing experience is especially useful in this work.

**BMW 2800 CS**

## BMW 2500

improve the quality of our products still further and to counteract rising prices. Motor cycle production was fully concentrated in the Berlin factory during 1969.

organisation at home consisted of 1,084 dealers and workshops, more than half of them representing BMW exclusively. Abroad the number of importers and dealers rose from 2,674 in the previous year to 2,834. During 1969 about 5,000 members of our sales and service organisation attended courses on business and technical subjects.

### Sporting Successes

**Supplies**  
As always our suppliers gave us excellent and reliable service and their cooperation at times of heavy demand was much appreciated.

**Research and Development**  
In order to keep pace with the increased volume of business the facilities of the development division were improved during 1969 and its staff enlarged. Special attention has been paid to strengthening mass production inspection procedures.

**The wide range of safety**  
relations and their

The wide range of safety regulations and their varying provisions in different countries call for continual testing of current models as well as of types still under development. Regulation above all in the USA, aimed at limiting nitric oxide in exhaust fumes have been taken into account in our development of petrol injection engines. Our research efforts have also been directed towards improving the internal and external safety of our vehicles and their performance under all conditions, and to further development of our

**Personnel**  
Expansion of production at our Munich and Dingolfing factories, and the new series of motorcycles being produced in Berlin have led to a further increase in our staff, who now number 21,316.

### Investment and Depreciation

Our investments in fixed assets reached a new record of DM 206.8 million and these expenditures will continue to grow during 1970. The outstanding investment project is the new spare parts supply centre in Dingolfing.

Depreciation of fixed assets amounted to DM 76.7 million. Additions to buildings and movable assets have been written off to the maximum extent permitted by tax legislation. In addition we have taken full advantage of all special fiscal concessions.

The table shows invest-

**Review and Prospects**

1969 was a year of accelerating growth for BMW. Turnover rose by 40% to DM 1443.4 million, and net earnings by 34% to DM 45.7 million. 148,000 vehicles were produced in the year, during which daily production rose from 577 to 672 units.

**Our six-cylinder series, introduced in 1968, was expanded to include the BMW 2800.**

This model combines the characteristic BMW sports car performance with the luxury of a further limousine. Further technical improvements were made to other existing models, to which no basic changes are planned for the immediate future. Our new twin-cylinder motor cycle series R50/S, R60/S and R75/S was successfully launched at home and abroad and production started at our Berlin factory in the Autumn of 1969.

The unprecedented economic boom led to rising costs in all sectors of industry. Towards the end of the year we were forced, in common with other manufacturers, to raise our home prices. The DM revaluation, however, made it impossible for us to increase export prices correspondingly.

We expect further satisfactory development of business in 1970, based on our successful range of two and four door medium sized cars, our

1600/2002  
1800/2000  
2500/2800  
CKD and other units  
BMW cars  
Glas models (discontinued)  
Total cars  
Motor cycles

is approaching the limit of its capacity. In order to provide funds for future developments the management is recommending to this year's Annual General Meeting steps to increase the company's capital by DM 200 million.

## Report from the Divisions

**Production**  
The year 1969 was marked by a further increase in capacity. Our efforts were also directed towards automation and rationalization in order to

**Sales**  
Group sales increased by 17.7% to 144,788 units. Home deliveries accounted for 78,939 units (68,709 in 1968) and deliveries abroad reached 65,849 (54,262 in 1968). Our most important export markets continue to be the EEC and EFTA countries and the USA.

At home and abroad our sales and service network was strengthened and the standard of our after-sales service set even higher. At the end of 1969 the sales

**Turnover**

The following table shows the growth of turnover since 1963 and the distribution of home and export sales:

	Turnover million DM	Increase %
1963	433.11	46.9
1964	575.16	18.9
1965	590.65	14.7
1966	755.93	28.0
1967	870.84	15.2
1968	1,032.37	18.6
1969	1,443.43	39.8

Because of the change in the tax system the figure from 1968 on are given without turnover tax. The growth in turnover is much higher than that of unit sales, the reason being the introduction in 1969 of the much higher priced six-cylinder models.

Turnover per employee rose 14.1% in 1969 to DM 73,600.

Our motor cycles, too, continued the tradition of success linked with the name BMW.

including special tools  
(in DM m).

	Investment	Depreciation
1969	206.8	71.0
1968	168.2	56.0
1967	52.1	40.0
1966	63.4	34.0
1965	85.7	31.0
1964	22.0	25.0
1963	20.2	22.0

**Finance**  
The expansion in volume of business is also shown in the rise of the balance sheet total by DM 223.9 million to DM 794.3 million. This increase is spread between fixed assets (127.2 million) and current assets (DM 96.7 million).

Investments amounting DM 206.9 million were financed by depreciation declared reserves and long-term borrowed funds. We financed the increase in current assets—mainly stocks and accounts receivable—by raising the reserves, suppliers and accounts payable. We used our short-term credit facility to a relatively minor degree.

**Associated Companies**  
Our continuing efforts to better the service we provide our customers led in 1969 to the foundation of BMW Autovermietung GmbH Rent-A-Car. The share capital is DM 0.15 million, of which BMW AG holds half.

**For further information  
write to  
Bayerische Motoren  
Werke AG,  
Hauptabteilung  
Finanzen,  
D-8000 München 13,  
Postfach 13**



(Continued on next page.)

**MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION**

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## Telephone \_\_\_\_\_

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NEW YORK, July 9.—Cash			
lows in primary markets as registered today in New York were:			
commodity and unit	Thurs.	Year ago	
<b>—FOODS—</b>			
best 2. red bush .....	\$1.84	\$1.64 1/2	
best 2. hard c.l.f. bu. ....	1.86 1/4	1.72 3/4	
ma. 2 yellow bu. ....	1.67 1/4	1.54 1/4	
ma. 2 yellow c.l.f. bu. ....	1.67 1/4	1.54 1/4	
2 Western c.l.f. bu. ....	1.93	1.67 1/4	
one Acacia, lb. ....	.31 1/4	.47 1/2	
one & Santos lb. ....	.33 1/2	.37	
<b>—TEXTILES—</b>			
metchols 64-80 38% wt.	1.94	1.94	
<b>—METALS—</b>			
cel Nicks (Pitt.) ton. ....	196.04	200.01	
cel Nicks (Pitt.) 100 lbs. ....	19.60	20.00	
cel Scrap No. 1 (Pitt.) lb. ....	40.41	39.38	
cel, spot lb. — average ....	15.43	16.12	
prer elec. lb. ....	68.50-64	46	
prer elec. lb. ....	1.54	1.54	
or N. E. St. L. basis lb. ....	15 1/2	14 1/2	
or N. E. St. L. basis lb. ....	1.62 1/4	1.64	
<b>—COMMODITY INDEXES—</b>			
Moody's Index (base 100)			
Dec. 31, 1931) ....	411.4	398.6	
= Nominal, % Asked.			
<b>—NEW YORK FUTURES—</b>			
July 9, 1932			
Wheat sugar No. 7 Sept. 3.85-36, Oct.			
3.84, Nov. 3.87, March 3.71 3/8-36, Mar.			
3.71 1/2, Sept. 3.71 1/2, July 3.71 1/2			
Wheat July 32.5 lb., Oct. 36.5 lb.,			
Nov. 36 lb., March 37 3/8 lb.			
July 32.5 lb., Oct. 36.5 lb.,			
Nov. 36 lb., March 37 3/8 lb.			
July 32.5 lb., Oct. 36.5 lb.,			
Nov. 36 lb., March 37 3/8 lb.			
Dec. 36.5 lb., March 37 3/8 lb.			
Cocoa July 25.07, Sept. 25.70, Dec.			
35.81, March 37 3/8, May 37 3/8, July 37 3/8			
Sept. 37 3/8, Nov. 37 3/8, Dec. 37 3/8			
Copper July 61.80, Sept. 61.50, Oct.			
60.85, Dec. 60.85, Jan. 61 3/8, March			
61 3/8, May 61 3/8, July 61 3/8, Sept.			
61 3/8, Nov. 61 3/8, Dec. 61 3/8			
Silver July 17.00, Sept. 16.15, Dec.			
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		Banque Nationale de Paris
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Continental Illinois National Bank & Trust Company of Chicago		Crédit Commercial de France
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European-American Finance (Bermuda) Limited	The First National Bank of Chicago	First National City Bank
Franklin National Bank	Hill Samuel & Co. Limited	Irving Trust Company
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## BOOKS

## DAYS OF LIFE AND DEATH AND ESCAPE TO THE MOON

By William Saroyan. Dial. 139 pp. \$5.95

Reviewed by Edward Hoagland

WILLIAM SAROYAN turned 60 on the first of September, 1967. "Days of Life and Death and Escape to the Moon" is his diary of the month before his birthday, which he spent in Paris, and of two autumn months the following year, back home in Fresno. It's about getting old, not about escaping to the moon. He reads the obituaries daily. Steinbeck dies; the last Krupp dies; Paul Muni dies; Upton Sinclair, Talulah Bankhead and Thomas Merton die. He remembers the death of a cormorant which crept out of the sea and into a hole in a cliff facing away from the sea and the sun, to die.

"I have now lived long enough to have noticed the arrival and departure of everybody. They came forward shining, and went away faded or invisible. That's the thing about staying alive—you see that. As for myself, the whole thing is a joke. I look like an old man. One would think I had gone to a lot of trouble about getting ready to play an unsuitable part in an absurd Sunday School morality play. The trouble is I used to be a young man and I haven't forgotten it."

Not many men do forget, but most of his life Saroyan has written specifically about being young. If sometimes he has seemed unimpressed by his own exuberance, that is the sort of failure all writers know. He has been a rhapsodist and with dignity, has outlived the time that produced other rhapsodists—Thomas Wolfe, Sherwood Anderson and Steinbeck. Inevitably, there are some false notes in this brief book, when he tries to blow the old, jubilant strains and they don't sound the same; but not nearly as many as would be the case with a writer who really had been a Johnny-one-note all his years. There's no fool, and mostly he goes for long bus rides and walks, buys second-hand books, fights with his son, complains of the pain of his ulcer, of his bouts with insomnia and troublesome teeth, and takes pictures of himself in railroad-station booths—perhaps a more emphatic record of how he's progressing than just glancing into a mirror would be.

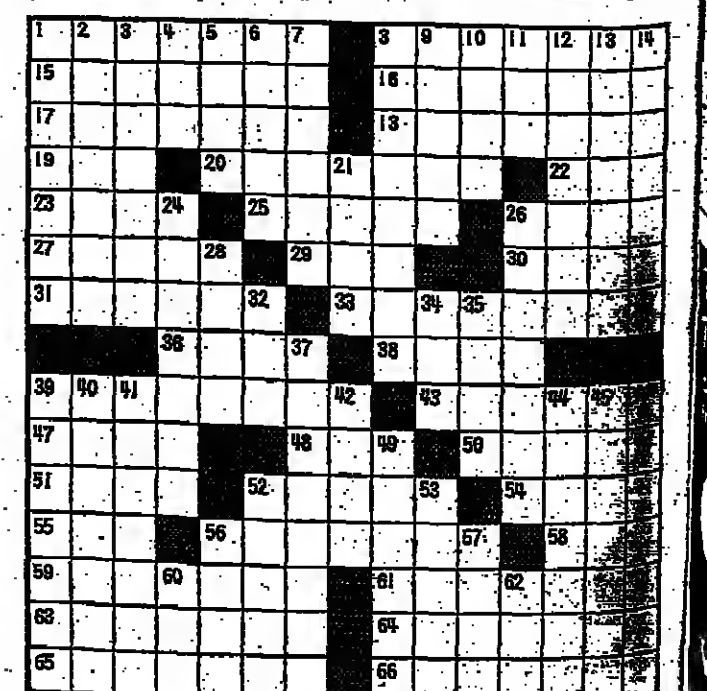
He reads the *Los Angeles Times* column of the (London) *Times* dubiously. At a big party in New York during his high-flying years he had met George Gershwin, whose "Rhapsody in Blue" he had played on his wind-up phonograph every morning while he was in, doing nothing but getting dressed to go to work (delivered by telegram, as everyone knows). Gershwin, still comparatively young in 1935, spoke sadly of the drying up and wasting away of his powers, and this is what Saroyan is feeling, too. On the other hand, he remembers that Bach, Verdi and Bernard Shaw worked much when they were old. He tries to do law and copy now, "not feeling obliged to be a kind of a hero of the world," gives up coffee and cigarettes, changes even his work habits, trying to accept the fading of himself in himself and of his name in the world.

Thinking in Dublin, and Trieste—he keeps all the old pairs of shoes that he's ever worn. He remembers his grandmother Lucy, remembers the

## CROSSWORD

By Will Weng

ACROSS		
1 Propitiate	52 Legendary king	10 Placed
8 Paint container	54 Kind of bag	11 Incite
15 Came from behind	55 Gull	12 Storm
16 Medieval stone throwers	56 Examined	13 Beginner
17 Dallied	58 Flesh Prefix	14 Early ascetics
18 Stains	59 Ecclesiastic	21 Like some steaks
19 Call — day	61 Handkerchief	24 Gloom
20 Circumvented	62 Stimulate	26 Musician
22 Relative	64 Make faster time	28 High —
23 Does ushering	65 Waves	32 M.D.'s
26 State: Abbr.	66 Like some children	34 London
27 Missile		35 Girl's name
29 Indian title		37 Inhabitants
30 Conversational phrase		39 Put — on (play down)
31 Had occasion for		40 W. W. II landing site
33 Groves from		41 English literary family
36 Aromatic plant		42 Florida county
38 N. C. college		44 Self-centered
39 Valued		45 Go over
40 Tuck, at all		46 Hardened
47 V.I.P.'s spot		49 Japanese exports
48 Not wide: Abbr.		52 Headress
51 Beauty or charm		53 Time of day
51 Substitutes		56 Face
		57 Whistle, in Cadiz
		60 Abner
		62 Numerical prefix



## BLONDIE



## BRIDGE

By Alan Truscott

North opened with two diamonds. This was an optimistic Roman two-diamond bid, promising 17 points or more and a three-suited hand. As the diamond queen was a card of doubtful value he might have discouraged it and opened with a one-bid.

As it was, his partner drove the bidding to slam. His two-no-trump response conventionalized his asked his partner to show his short suit. Once South located the diamond queen, he did not need the formality of Blackwood; the chance that two aces were missing was almost zero.

West led the diamond ace, and South found himself facing a harder task than he had anticipated. West shifted to the heart jack, feeling that this was less likely to help the declarer than the other possible plays. South won with the king, and faced the guessing situation in trumps.

There was one very small straw in the wind: If East had held several spades including the queen he might have encouraged in diamonds, hoping that West would be in a position to force dummy to ruff and weaken the declarer's trump holding.

With this in mind, South found the winning play. He led the spade eight and took a first-round finesse against West's queen. When this won he led the ten and repeated the finesse successfully. He was then able to ruff a diamond, cash the spade ace, and return to the closed hand with a club lead to draw the missing trump. So the slam was made.

South would have gone down against a singleton queen in the East hand, but his play guarded against a small singleton, which was much more likely. The normal play of the spade king before finessing would have failed, because South could not then have finessed twice in spades and also ruffed a diamond in the dummy.

North (D)  
 ♠ A J 9 5  
 ♥ A Q 9 4  
 ♦ Q  
 ♣ K J 8 3  
 West  
 ♠ Q 7 6 2  
 ♥ J 7  
 ♦ A J 9 4 2  
 ♣ 9 4  
 East  
 ♠ 3  
 ♥ 8 6 5 2  
 ♦ 10 8 7 5  
 ♣ Q 10 6 2

South  
 ♠ K 10 8 4  
 ♥ K 10 3  
 ♦ A 6 3  
 ♣ K 7 5

North and South were vulnerable. The bidding:  
 North East South West  
 2 ♦ Pass 2 N.T. Pass  
 3 ♦ Pass 6 ♣ Pass  
 Pass Pass  
 West led the diamond ace.

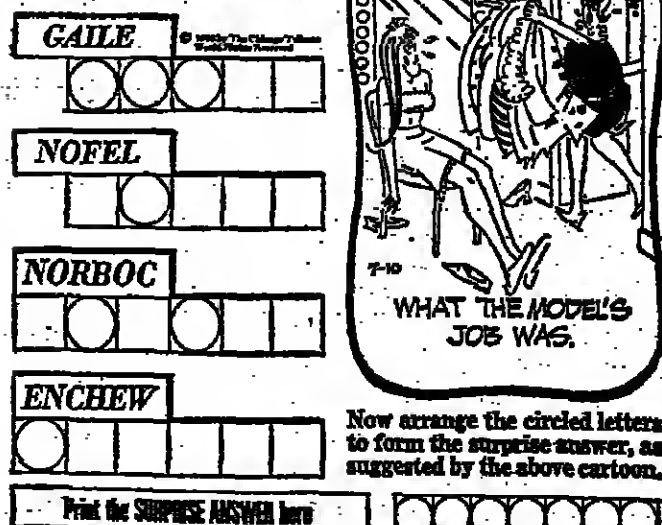
Solution to Previous Puzzle  
 AROMA ULNA FUDGE  
 SUDAN REIN URGE  
 UNKNICKNACK CALL  
 ECOCLE SHACKLED  
 HINT STING AILASKA  
 JOWA HEAP LUCKERS  
 CHICKENPICKERS  
 KINKY SEEN SETA  
 STEALS RARA PSI  
 CENE SUIDS  
 DARKSIDE LOTUS  
 ADOCE FLIGHTWATER  
 TANGU PLAIN ESHWER  
 AIMER YELLY SHOWS

## DENNIS THE MENACE



## JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Yesterday's Jumbles: CABIN GUIDE JUMBLE RELIUM  
 Answer: How the magistrate who was playing tennis in the park acted—LIKE A JUDGE ON THE BENCH

## PEANUTS



## R.C.



## EIL ABNER



## BEETLE BAILEY



## MISS PEACH



## BUZZ SAWYER



## WIZARD OF ID



## REX MORGAN M.D.



## POCO



## RIP KIRBY





## Wins 117-94 After Trailing 56-50

# U.S. Track Team Is Overwhelming As It Comes Back to Defeat France

**HEAVE-HO**—Frances Pierre Colnard, 41, shows his winning form in the shot put.

Open translation translated as follows: A pitfall laid in from 30 feet for a birdie three, and the stick put in bogeyed the ninth par 35 for the same. A sand wedge hit 13 feet with the put dropping in good for a birdie three in the 13th, and a wedge to 14 feet meant another bird at the 16th. A perfect eight iron to the green kicked left and trickled into the trap on 17, the dreaded Road hole. Tony blasted out of the deep bunker to six inches and had his par. An enormous drive, and a light wedge put him on the heart of the home hole and his, 10-footer hit the back of the cup and lived out to greens.

*Casino*

# WIESBADEN

RESTAURANT · BAR

**Standers (8), Baldwin (8) and Roof 1-2**  
**Downing 10-11.**  
**Wentz**

<b>Detrol</b>	688 789	681-2 8 9
	976 680	113-3 7 2

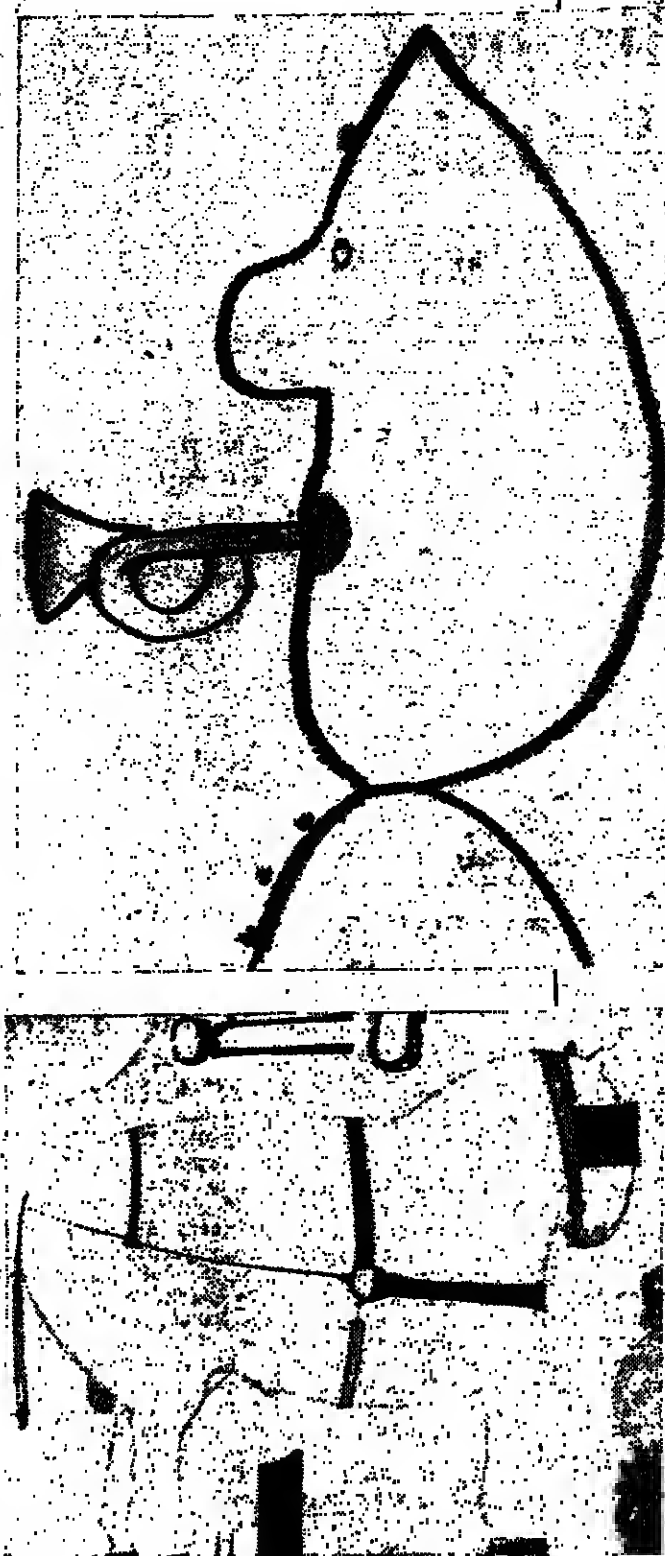
**Chubb, Lyle (8), Rame (8), Phillips (8) and Schmitt 17-18**  
**1-Phillips (8-2), 2-Morton (10-1), Stankiewicz (3-4).**

[illegible]

bones. JONATHAN DAVID Co. 13  
 New Bond Street, London, W.1. 689 2225  
 Harry's Bar, San Marco 1835, Venice  
 Italy.  
 275-53, Paris.  
 275-53, Paris.

1





PAGE 13